STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 9 (Revised)
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	Scott Cole	scott.cole@gcserv.com
6330 Gulfton	**PHONE**	**CONTRACTOR'S TAX ID NO.** **(LAST FOUR DIGITS ONLY)**
Houston TX, 77210	713-776-6605	9626

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	TREA	Ann Good	517-636-5300	gooda@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	(517) 284-7025	SamuelB@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Collection Services - Department Of Treasury

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 15, 2010	November 15, 2015	2 - 2 Year	December 15, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
.25 NET 30 and .5 NET 15	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	One Year - Eleven Months	☐		November 15, 2017

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$149,832,397.39	$ 67,102,224.99	$216,934,622.38

DESCRIPTION   Effective December 15, 2015, the contract is hereby Amended as follows:

1. A one year – eleven month option is hereby exercised. The revised contract expiration date is November 15, 2017.

2. The contract is hereby increased by $67,102,224.99 for Treasury use.

3. Attachment A Price Proposal is amended and replaced as follows:

    3.1 Section H) Report Pricing – Reports to be completed Bi-Annually
        Type I SSAE 16 Report $25,000.00 Unit Price

Type II SSAE 16 Report $55,000.00 Unit Price

3.2 Section I) Background Check – Quantity 140 for Four Years
Price Per Document Processed Background Check - $19.40

All other terms, conditions, specifications, and pricing remain the same. Per agency request, contract agreement, DTMB Procurement approval, and State Administrative Board approval on 12/15/2015.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
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CHANGE NOTICE NO. 9
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	Scott Cole	scott.cole@gcserv.com
6330 Gulfton	**PHONE**	**CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)**
Houston TX, 77210	713-776-6605	9626

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	TREA	Ann Good	517-636-5300	gooda@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	(517) 284-7025	SamuelB@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Collection Services - Department Of Treasury

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 15, 2010	November 15, 2015	2 - 2 Year	December 15, 2015

PAYMENT TERMS		DELIVERY TIMEFRAME	
.25 NET 30 .5 NET 15 0.5NET30		N/A	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	Three Years - Eleven Months	☐		November 15, 2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$149,832,397.39	$ 132,000,000.00	$281,832,397.39

DESCRIPTION   Effective November 17, 2015, the contract is hereby Amended as follows:

1. A three year – eleven month option is hereby exercised. The revised contract expiration date is November 15, 2019.
2. The contract is hereby increased by $132,000,000.00 for Treasury use.
3. Attachment A Price Proposal is amended and replaced as follows:

   3.1 Section D) MARCS Hardware, Software, and Maintenance
       System upgrades to the MARCS system via Citrix to be paid for by vendor see Attachment 1

MARCS hardware, software, and replacements/upgrades see Attachment 2

3.2 Section H) Report Pricing – Reports to be completed Bi-Annually
    Type I SSAE 16 Report $25,000.00 Unit Price
    Type II SSAE 16 Report $55,000.00 Unit Price

3.3 Section I) Background Check – Quantity 140 for Four Years
    Price Per Document Processed Background Check - $19.40

3.4 Prompt Payment Discount
    First Year (November 15, 2015 – November 14, 2016) - .5%
    Second Year (November 15, 2016 – November 14, 2017) - .5%
    Third Year (November 15, 2017 – November 14, 2018) - .75%
    Fourth Year (November 15, 2018 – November 15, 2019) – 1.0%

All other terms, conditions, specifications, and pricing remain the same. Per agency request, contract agreement, DTMB Procurement approval, and State Administrative Board approval on 11/17/2015.

Attachment 1

CONTRACT NO. 0718020200101- Citrix Hardware, Software, and Maintenance

Description	Hardware / Software	QTY
Hardware - Servers Supporting Citrix		
UCS 6248UP 1RU Fabric Interconnect No PSU 2 Fans 32 UP 12Pt, Cisco Servers	Hardware	2
AC Power Supply 100-240VAC 600W for USC 6248UP Network Fabric Cisco Servers	Hardware	4
Chassis, UCS 5108 AC2 Blade Server Enclosure / 8xFans / 0 FEX / 0 PSU Cisco	Hardware	1
2500W Platinum AC Hot Plug Power Supply Cisco	Hardware	4
UCS 2204 I / O Module Cisco Servers	Hardware	2
Barebones, UCS B200 M4 Blade without CPU, Memory, HDD Bays, or Mezzanine Cisco Servers	Hardware	8
Processor, Xeon 10C E5-2660 v3 2.6GHz / 25MB / 105W for UCS B200 M4, C220 M4, and C240 M4 Cisco Servers	Hardware	16
16GB PC4-17000 288-pin DDR4 SDRAM DIMM for UCS B200 M4, C220 M4 Cisco Servers	Hardware	128
UCS VIC 1340 Adapter for M3 Blade Servers Cisco Servers	Hardware	8
32GB SD Card for UCS Servers Cisco Servers	Hardware	16
SMARTnet 24x7x4 Parts Service Cisco/Service cotermed to 06/30/17 on contract 92481367	Hardware-Maintenance	14
NetOps 10GBASE-CU SFP+ Cable, 3m Cisco	Hardware	8
10GBase-CU SFP+ Copper Module with 5-meter Cable Cisco	Hardware	8
Software - Citrix VMWare Licensing		
Cust ELA2 XnDskt Plat 1U Lic Citrix ELA Licensing	Software	350
Cust ELA2 5Y Mnt XnDskt Plat1U Citrix ELA Licensing	Software	350
Cust ELA2 NeSclar Vpx1000 Ent Citrix ELA Licensing	Software	1
Cust ELA2 5Y Mnt NetS Vpx1000 Citrix ELA Licensing	Software	1
Corp. vSphere 6.0 w / Operations Management Enterprise Acceleration Kit 6-processors VMware - Licensing	Software	1
Corp. PROD SNS VSPHERE W / OPS MGMT ENT ACCL KIT 6 PROCS VMware - Licensing	Software	1
Microsoft VDI Licensing	Software	225
Corp. L4 VSPHERE 6 W / OPS MGMT ENT 1 PROC VMware - Licensing	Software-Maintenance	10
Corp. PROD SNS VSPHERE 6 W / OPS MGMT ENT 3YR VMware - Licensing	Software-Maintenance	10
Implementation Consulting Services		
UCS Implementation Consulting-76 Hrs	Consulting	
UCS Implementation Consulting-Travel	Consulting	
Network Implementation Consulting-60 Hrs	Consulting	
Network Implementation Consulting-Travel	Consulting	
Switch Implementation Consulting-60 Hrs	Consulting	
Switch Implementation Consulting-Travel	Consulting	
Citrix Implementation Consulting-92 Hrs	Consulting	

Attachment 2

CONTRACT NO. 071B0200101- MARCS Hardware, Software, and Maintenance Replacement/Upgrades

Description	Hardware / Software	QTY	Total Estimated Cost (2 two-year extensions)
Hardware - Replace HP-UX End of Life			
UCS 6248UP 1RU Fabric Interconnect No PSU 2 Fans 32 UP 12Pt, Cisco Servers	Hardware	2	
NetOps 10GBASE-CU SFP+ Cable, 3m Cisco	Hardware	8	
AC Power Supply 100-240VAC 600W for USC 6248UP Network Fabric Cisco Servers	Hardware	4	
Chassis, UCS 5108 AC2 Blade Server Enclosure / 8xFang / 0 FEX / 0 PSU Cisco	Hardware	2	
2500W Platinum AC Hot Plug Power Supply Cisco	Hardware	8	
UCS 2204 I / O Module Cisco Servers	Hardware	4	
Barebones, UCS B200 M4 Blade without CPU, Memory, HDD Bays, or Mezzanine Cisco Servers	Hardware	4	
Processor, Xeon 10C E5-2640 v3 2.6GHz / 25MB / 105W for UCS B200 M4, C220 M4, and C240 M4 Cisco Servers	Hardware	7	
16GB PC4-17000 288-pin DDR4 SDRAM DIMM for UCS B200 M4, C220 M4 Cisco Servers	Hardware	14	
UCS VIC 1340 Adapter for M5 Blade Servers Cisco Servers	Hardware	112	
32GB SD Card for UCS Servers Cisco Servers	Hardware	7	
Barebones, UCS B200 M4 Blade without CPU, Memory, HDD Bays, or Mezzanine Cisco Servers	Hardware	14	
Processor, Xeon 10C E5-2660 v3 2.6GHz / 25MB / 105W for UCS B200 M4, C220 M4, and C240 M4 Cisco Servers	Hardware	3	
CTO, 16GB PC4-17000 288-pin DDR4 SDRAM DIMM for UCS B200 M4, C220 M4 Cisco Servers	Hardware	6	
UCS VIC 1340 Adapter for M3 Blade Servers Cisco Servers	Hardware	72	
FlexStorage SAS 12Gb / s RAID Controller w / Drive Bays Cisco Servers	Hardware	3	
Barebones, UCS B200 M4 Blade without CPU, Memory, HDD Bays, or Mezzanine Cisco Servers	Hardware	3	
Processor, Xeon 8C E5-2640 v3 2.6GHz / 20MB / 90W for UCS B200 M4, C220 M4, and C240 M4 Cisco Servers	Hardware	5	
CTO, 16GB PC4-17000 288-pin DDR4 SDRAM DIMM for UCS B200 M4, C220 M4 Cisco Servers	Hardware	10	
UCS VIC 1340 Adapter for M3 Blade Servers Cisco Servers	Hardware	40	
32GB SD Card for UCS Servers Cisco Servers	Hardware	5	
	Hardware	10	
SMARTnet 24x7x4 Parts Service Cisco/Service; determined to 06/30/17 on contract 92481367	Hardware-Maintenance		$221,701.38
Hardware - LAN Upgrades			
Catalyst 3850 48-Port POE LAN Base Cisco	Hardware	8	
StackWise Stacking Cable, Spare, 9.8ft Cisco	Hardware	1	
Cisco Catalyst 3850 2X10 GE Network Module (Spare Part) Cisco	Hardware	2	
10GBase-CU SFP+ Copper Module with 5-meter Cable Cisco	Hardware	4	
Nexus 5672UP 1RU, 32x10G SFP+, 16pxUP SFP+, 6x40G QSFP+ Cisco	Hardware	2	
DCNM for LAN Advanced Edition for Nexus 5000 Cisco	Hardware	2	
Nexus 2000 10GT Fabric Extender 48X1 / 10T 6X40G QSFP Cisco	Hardware	3	
40GBASE Active Optical Cable, 5m Cisco	Hardware	6	
40Gbase CR4 QSFP+ Direct Attach Passive Copper Cable, 3m Cisco	Hardware	3	$127,201.18
Software - MARCS Application and Support Environment			
License Agreement Type Corporate Servers – D Systems = B Usage Date 9/1/2015 Next ABF Anniversary Jan-16 # of Coverage Months 28	Software	1	
Corp. Select Plus Windows Server Standard Level D License w / SA 28Mo Prorated Upfront Payment Microsoft Select Plus	Software	35	
Corp. Select Plus Windows Server User CAL License w / SA Level D 28Mo Prorated Upfront Microsoft Select Plus	Software	350	
Microsoft Corp. Sel Plus Virtual Desktop Access (VDA) Subscription Level B 28Mo Upfront Payment Option Microsoft Select Plus	Software	225	
Microsoft Corp. Select Plus Windows Remote Desktop Services CAL 2012User CAL Level D License Only Microsoft Select Plus	Software	225	$140,943.95
Corp. vSphere 6.0 w / Operations Management Enterprise Acceleration Kit 6-processors VMware - Licensing	Software	1	
Corp. PROD SNS VSPHERE W / OPS MGMT ENT ACCL KIT 6 PROCS VMware - Licensing	Software	1	
Corp. L4 VSPHERE 6 W / OPS MGMT ENT 1 PROC VMware - Licensing	Software	20	
Corp. PROD SNS VSPHERE 6 W / OPS MGMT ENT 3YR VMware - Licensing	Software	20	$135,149.97

Total Hardware and Software Replacement/Upgrades for 2 two-year contract extensions $624,996.48

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 8
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	Scott Cole	scott.cole@gcserv.com
6330 Gulfton	**PHONE**	**CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)**
Houston TX, 77210	713-776-6605	9626

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	TREA	Ann Good	517-636-5300	gooda@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	(517) 284-7025	SamuelB@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Collection Services - Department Of Treasury			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
March 15, 2010	November 15, 2015	2 - 2 Year	December 15, 2015
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
.25 Net 30 / .5 Net 15		N/A	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	**LENGTH OF OPTION**	**EXERCISE EXTENSION?**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☒	Month	☐		December 15, 2015
CURRENT VALUE		**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**	
$149,832,397.39		$ 0.00	$149,832,397.39	
DESCRIPTION: Effective October 31, 2015, a one month option is hereby exercised. The revised contract expiration date is December 15, 2015. The following amendment is hereby incorporated into the contract per attached Exhibit M Contract Language for General Services related to Federal Data. All other terms, conditions, specifications, and pricing remain the same. Per agency request, contractor agreement and DTMB approval.				

Exhibit M Contract Language for General Services

I. PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

(1) All work will be done under the supervision of the contractor or the contractor's responsible employees.

(2) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.

(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.

(4) No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.

(5)The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(6) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of $1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRCs 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed I the agency's files for review. As part of the certification and at lease annually afterwards, contractors must be advised of the provisions or IRCs7431, 7213, and 7213A (see Exhibit 4, *Sanctions for Unauthorized Disclosure*, and Exhibit 5, *Civil Damages for Unauthorized Disclosure*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
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CHANGE NOTICE NO. 7
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	**Scott Cole**	**scott.cole@gcserv.com**
6330 Gulfton	**PHONE**	**VENDOR TAX ID #** **(LAST FOUR DIGITS ONLY)**
Houston, TX 77081	**(713) 776-6605**	**9626**

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	**Treasury**	**Ann Good**	**(517) 636-5300**	**gooda@michigan.gov**
CONTRACT ADMINISTRATOR	**DTMB**	**Brandon Samuel**	**(517) 284-7025**	**samuelb@michigan.gov**

CONTRACT SUMMARY			
DESCRIPTION: Collection Services – Michigan Department of Treasury and DHS			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
March 15,2010	**November 15, 2015**	**2, two year**	**November 15, 2015**
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
0.25 Net 30 / 0.5 Net 15	**N/A**	**N/A**	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	**EXERCISE CONTRACT OPTION YEAR(S)**	**EXTENSION BEYOND CONTRACT OPTION YEARS**	**LENGTH OF EXTENSION/OPTION**	**EXPIRATION DATE AFTER CHANGE**
☒ No ☐ Yes	☐	☐		
CURRENT VALUE		**VALUE/COST OF CHANGE NOTICE**	**ESTIMATED REVISED AGGREGATE CONTRACT VALUE**	
$149,832,397.39		$0.00	$149,832,397.39	

DESCRIPTION:
Effective June 15, 2015, the Program Manager for this contract is changed to Ann Good. See above for contact information. All other terms, conditions, specifications, and pricing remain the same. Per agency and DTMB Procurement approval.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	Scott Cole	scott.cole@gcserv.com
6330 Gulfton	**PHONE**	**VENDOR TAX ID #** (LAST FOUR DIGITS ONLY)
Houston, TX 77081	(713) 776-6605	9626

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	Treasury	Wil Smalls	(517) 241-5006	smallsw@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	(517) 284-7025	samuelb@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

Collection Services – Michigan Department of Treasury and DHS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 15,2010	November 15, 2015	2, two year	November 15, 2015

PAYMENT TERMS	F.O.B.	SHIPPED TO
0.25 Net 30 / 0.5 Net 15	N/A	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
$132,301,004.96		$17,531,392.43	$149,832,397.39	

DESCRIPTION:
Effective April 7, 2015, this contract is hereby increased by $17,531,392.43.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on March 31, 2015.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	**Scott Cole**	**scott.cole@gcserv.com**
6330 Gulfton	**TELEPHONE**	**CONTRACTOR #, MAIL CODE**
Houston, TX 77081	**(713) 776-6605**	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	**Treasury**	**Wil Smalls**	**(517) 241-5006**	**smallsw@michigan.gov**
BUYER	**DTMB**	**Don Mandernach**	**(517) 241-7233**	**mandernachd@michigan.gov**

CONTRACT SUMMARY:			
DESCRIPTION			
Collection Services – Michigan Department of Treasury and DHS			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
March 15,2010	**November 15, 2015**	**2, 2 yr. options**	**November 15, 2015**
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
0.25 Net 30 / 0.5 Net 15	**N/A**	**N/A**	**N/A**
ALTERNATE PAYMENT OPTIONS:		**AVAILABLE TO MiDEAL PARTICIPANTS**	
☐ P-card ☐ Direct Voucher (DV) ☐ Other		☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	**EXERCISE CONTRACT OPTION YEAR(S)**	**EXTENSION BEYOND CONTRACT OPTION YEARS**	**LENGTH OF OPTION/EXTENSION**	**EXPIRATION DATE AFTER CHANGE**
☒ No ☐ Yes	☐	☐	**N/A**	**November 15, 2015**
VALUE/COST OF CHANGE NOTICE:		**ESTIMATED REVISED AGGREGATE CONTRACT VALUE:**		
$2,295,930.00		**$132,301,004.96**		
Per Agency ITRAC request dated 4/3/13 and Administrative Board approval dated June 18, 2013, this Contract is hereby AMENDED per the attached to include collection process upgrades and necessary infrastructure upgrades. Additional funds have been added in the amount of $2,295,930.00. The Contractors primary contact has been changed as listed above per letter dated May 22, 2013. **All other terms, conditions, specifications and pricing remain unchanged.**				

I. Overview

GC Services' proposal for supporting the MARCS technical infrastructure was presented in our response to the RFP in June, 2009. We provided a list of technical changes that GC Services was prepared to make to support the MARCS application for the five years identified in the RFP.

GC Services began the process of upgrading the MARCS infrastructure upon the contract award on January 6, 2010, and completed the upgrades in 2011. The list of the proposed changes and what was actually done follows:

- Replace the existing HP-RP7410 8-processor PA-RISC production server with an HP-RX4640
  Completed November 2011
- Replace the existing HP-RP5470 4-processor PA-RISC development server with an HP RX4640
  Completed November 2011
- Replace the HP-D230 Strata server with a Sun Fire V240 dual processor enterprise server
  Upgraded Strata to 4.1 in November 2011
- Replace Sybase 11 with Oracle 10g
  Converted to Oracle 11g in November 2011
- Replace Micro Focus COBOL OCDS with Micro Focus COBOL Server Express
  Completed November 2011
- Replace PowerBuilder 9.01 with PowerBuilder 11
  Upgraded MARCS to PB 11.5 in November 2011
- Add a LSI SAN for Production only use
  Completed January 2010
- Replace existing production network servers (4) + (3)
  Completed 2011
- Consolidate/Replace existing Cisco switches. Deployed (4) SGE2010 Switches, eliminated (8) Legacy Switches
  Completed 2011
- Replace production printers with HP LaserJet 5200Ns
  Completed 2010

DTMB has required a number of additional technical infrastructure changes that GC Services has had to respond to;

- Examine ramifications of M1 initiative - Completed January 2010
- State firewall between the State network and the sub nets (248, 249, 250, 251, and 252) GC Services runs on as part of the State network. Work began in June 2010, and continues today
- Requirements to convert from Novell file and print services to Microsoft file and print services - Completed 2011
- Requirement to implement and install encryption software for all Laptops - Completed 2012
- Requirement to convert from GroupWise email to Microsoft Outlook email - Completed September 2011
- Requirement to upgrade to MS Office 2010 - Completed August 2012
- Requirement to Package MARCS application - MSI application packaging - Completed July 2012
- Requirement to certify MARCS compatibility with a Windows 7 desktop operating system - Currently underway

An estimate of the time spent on the above projects is equivalent to 2.1 FTE per year for the years 2010-2012.

Prepared by GC Services, LP

Additional initiatives that GC Services has taken on since the response to the RFP include the following:

- Implemented new magnetic tape backup system - Completed November 2011
- Upgraded Interface department workstations to new Dell workstations - Completed June 2010
- Upgraded Interface department workstations to new HP 6000 workstations - Completed March 2011

Additional business enhancements are needed to ensure the viability of the system in the future. These projects have never been given a high priority to get the appropriate attention because of more urgent needs. Continued lack of attention to these projects will continue to complicate the ongoing support for MARCS.

- Letter process improvement ~ 4000 hours
- Data archiving ~ 3000 hours
- Demographics ~ 8000 hours
- Address standardization ~ 4000 hours
- Lien/Levy process improvement ~ 6000 hours

An estimate of the time needed to complete the above projects is equivalent to 4.4 FTE per year over the next three years.

8 FTES

II   Proposed staff additions

Based on the time spent on completed projects and the guestimates for the projected mission critical projects, it is estimated that an addition of three (3) technical resources beginning in April 2013 and continuing through 2019 will provide the manpower necessary to accomplish the know technical projects identified above.

In addition, it is our recommendation that a technical writer resource be added to the team to update and better organizes the documentation for supporting MARCS. We expect that this resource can complete the necessary work by December 2015.

It is expected that it will take six to twelve months to fully staff these positions. Each position will be billed as it is filled. Once fully staffed the additional billing for IT support staff will increase by $79,170.00 per month.

III Cost

Position	Assumption	Monthly cost	2013 fiscal year cost	2014 fiscal year cost	2015 fiscal year cost through 11/15/2015	Additional contract cost through 11/15/2015
Technical Specialist	Hired in April 2013 (6 months)	$24,772.38	$148,634.28	$297,268.55	$61,930.95	$507,833.79
Systems Programmer	Hired in April 2013 (6 months)	$20,387.58	$122,325.48	$244,650.96	$50,968.95	$417,945.39
Systems Business Analyst	Hired in May 2013 (5 months)	$18,362.22	$91,811.10	$220,346.64	$45,905.55	$358,063.29
Technical Writer	Hired in May 2013 (5 months)	$15,647.82	$78,239.10	$187,773.84	$39,119.55	$305,132.49
	Totals	$79,170.00	$441,009.96	$950,040.00	$197,925.00	$1,588,974.96

Prepared by GC Services, LP

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4
to
CONTRACT NO. 071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
GC Services Limited Partnership	**Denny Wojcicki**	**denny.wojcicki@gcserv.com**
6330 Gulfton	**TELEPHONE**	**CONTRACTOR #, MAIL CODE**
Houston, TX 77210	**(713) 776-6841**	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	**TREA**	**Wil Smalls**	**(517) 241-5006**	**smallsw@michigan.gov**
BUYER	**DTMB**	**Don Mandernach**	**(517) 241-7233**	**mandernachd@michigan.gov**

CONTRACT SUMMARY:			
DESCRIPTION: **Collection Services – Michigan Department of Treasury and DHS**			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
March 15,2012	**November 15, 2015**	**2, 1 yr. options**	**November 15, 2015**
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
0.25 Net 30 / 0.5 Net 15	**N/A**	**N/A**	**N/A**

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	**EXERCISE CONTRACT OPTION YEAR(S)**	**EXTENSION BEYOND CONTRACT OPTION YEARS**	**LENGTH OF OPTION/EXTENSION**	**EXPIRATION DATE AFTER CHANGE**
☒ No ☐ Yes	☐	☐		
VALUE/COST OF CHANGE NOTICE:		**ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:**		
$0.00		**$130,005,074.96**		
Per Agency ITRAC request dated August 8, 2012 and vendor agreement dated October 3. 2012, contract changes per the attached will be implemented. **All other terms, conditions, specifications and pricing remain unchanged.**				

Amendments to Section 1.022

Add #15 to (Section 1.022), to say:

Contractor will provide Imaging services with respect to Treasury Field documents submitted by Fax at a rate of approximately 50 documents per day. The department will compensate Contractor pursuant to the rate in section 1.022.1.k of Exhibit A.

Change (Section 1.022.9.l.ii), to say:

ii.   The Contractor must have proposed permanent and temporary staff complete a Form 63 Authorization to Conduct Criminal History and Reference Checks or similar form. The Collection Division will pay for criminal history check completion. Any other background checks will be borne by Contractor.

Change (Section 1.022.9.q.iii), from:

A SAS 70 audit report specific and limited to the State collection program is required.

to

A SSAE 16 audit report specific and limited to the State collection program is required.

Amendments to Attachment A

On Item 3) Imaging (Section 1.022.1.k) add an additional line for $1.26/document as highlighted below:

3) **Imaging (Section 1.022.1.k)**					
	Price Per Document Processed	**Quantity**		**Years**	**5-Year Imaging Total**
Field Faxes	$1.26	TBD	X	3.75	$TBD
All other Correspondence	$2.52	70,000	X	5	$882,000

On Item 6) SAS 70 Report (Section 1.022.9.q.iii), change SAS 70 to SSAE 16 as listed below:

6) **SAS 70 Report (Section 1.022.9.q.iii)**	**Unit Price**		**Years**	**Subtotal**
a) Type I SAS 70 Report	$36,000	X	5	$180,000
b) Type II SAS 70 Report	$66,000	X	5	$330,000

Will now be

6) **SSAE 16 Report (Section 1.022.9.q.iii)**	**Unit Price**		**Years**	**Subtotal**
a) Type I SSAE 16 Report	$36,000	X	5	$180,000
b) Type II SSAE 16 Report	$66,000	X	5	$330,000

Add an Item 8) Background Checks (Section 1.022.9.l.ii) to add pricing of $14.95/each as listed below:

8) **Background Checks (Section 1.022.9.l.ii)**				
Price Per Document Processed Background Check	**Quantity**		**Years**	**5-Year Background Check Total**
$14.95	each	X	5	$TBD

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET   June 27, 2011
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO.   071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (713) 776-6841
GC Services Limited Partnership **6330 Gulfton** **Houston, TX 77210** denny.wojcicki@gcserv.com	**Denny Wojcicki**
	BUYER/CA (517) 241-1916 **Jim Wilson**

Contract Compliance Inspector: Wil Smalls (517) 636-5300
Collection Services – Michigan Department of Treasury and DHS

CONTRACT PERIOD:	From: **March 15, 2010**	To: **November 15, 2015**
TERMS **0.25NET30 / 0.5 NET15**	SHIPMENT **N/A**	
F.O.B. **N/A**	SHIPPED FROM **N/A**	
MINIMUM DELIVERY REQUIREMENTS **N/A**		

NATURE OF CHANGE (S):

Effective immediately, the attached additional collection services on new Driver Responsibility Fee debt assessments proposal is hereby incorporated into this contract.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency agreement, vendor agreement and DTMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $130,005,074.96

Note: Clarifications dated May 19 and May 24, 2011 are incorporated into the below proposal.

GC Services' Response to Contract #071B0200101:
Change Request 4 Collection Services

2.0   STATEMENT OF THE PROBLEM
State in succinct terms your understanding of the problem(s) presented by this Change Request/RFP.

The Collection Division bills and collects the Driver Responsibility Fees debts on behalf of the Michigan Department of State. There are approximately 450,000 new Driver Responsibility Fee assessments per year. Currently, the Collection Division's Collection Information Services Unit (CISU) receives those calls as well as all other non-enforceable account calls. They are handling ~10% of the total inbound calls. Rerouting the Drover Responsibility calls to MARCS will allow CISU to service the other debt types more efficiently. It is expected that GC Services will receive 50,000 – 70,000 inbound calls regarding new Driver Responsibility Fee debt assessments on a monthly basis. Customers call for a variety of reason; to gain information about the Driver Responsibility Fee, to set up an installment agreement, or to make payment in full. New Driver Responsibility Fee assessments result in approximately $45 million in payments yearly.

2.1   MANAGEMENT SUMMARY

I.   Narrative
Include a narrative summary description of the proposed effort and of the product(s) that will be delivered. If any support is to be provided by a subcontractor, said subcontractors are to indicate their capability and willingness to carry out the work. In addition, the information requested in 2.2 below, should be provided for each potential subcontractor.

A new MARCS Department will be established to handle the Driver Responsibility accounts from Day 1 through Day 60, at which time they will be referred to the MARCS collection group. This new department will receive inbound calls, answer questions about the debt, and set up payment terms where requested. It will be staffed by a Manager, minimum 2 Unit Managers and up to 40 agents. The staffing will be determined by the inbound call volume this unit receives. They will be trained in the details of the debt so as to answer the questions presented. They will not engage enhanced collection procedures such as skiptracing, outbound call campaigns, or process liens/levies.

2.   Tasks
Copy sections 1.022, 1.031 and 1.040, and provide response in the area specified for "Contractor Response to Task". This area has been designed to expand as necessary.

Please see our response to both the tasks in the Scope of Work and our Project Plan on the following pages.

1.020   Scope of Work and Deliverables

1.021   In Scope
The Contractor must provide additional collection services on new Driver Responsibility Fee debt assessments on behalf of the State. The Contractor must provide the following:

1) Up to 40 dedicated staff to answer inbound telephone calls related to new Driver Responsibility Fee assessments.
2) Establish and/or maintain the necessary work flows and processes to effectuate a smooth transition of calls related to new Driver Responsibility Fee assessments to the Contractor.
3) Retain the current Driver Responsibility Fee telephone number.

1.022   Work and Deliverable
Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The Contractor must provide Deliverables/Services and staff for additional collection services related to new Driver Responsibility Fee assessments on behalf of the State. The Contractor must provide the following:

1) Inbound Customer Telephone Services for new Driver Responsibility Fee Assessments

    a) The Contractor must provide inbound customer telephone services for new Driver Responsibility Fee assessments on an as needed basis when requested by the Collection Division.

Contractor Response to Task:

GC Services has worked closely with the Department of Treasury over the last 25 years to provide the highest quality service on any task assigned by the Department. We are fully trained on Driver Responsibility Fee Assessments, having collected the enforceable accounts since their inception, and are prepared to begin handling the calls for the new Driver Responsibility Fees when Treasury decides the time is right.

    b) The Contractor must answer and triage inbound telephone calls related to new Driver Responsibility Fee assessments, to include, but not limited to, providing information about the Driver Responsibility Fees, setting up installment agreements, and effectuating payment.

Contractor Response to Task:

The GC staff in Lansing participated in the original meetings that discussed Driver Responsibility Fees in 2004. We have worked closely with the Department ever since to ensure the accounts are handled appropriately. This knowledge already acquired and our close relationship with Treasury will prove invaluable in ensuring a smooth transition of these inbound calls to a specialized group at the Jolly Cedar location.

    c) The Collection Division reserves the right to exclusively manage the accounts in the State's best interest per section 1.022.1.b of Contract.

Contractor Response to Task:

Programming will be implemented for account representatives to remove an account from the GC Services' work lists when notified of instructions to cease collection activity. Additionally, GC Services will meet with the CCI on a regular basis to discuss the progress of the department and make changes to procedures when necessary.

    d) Provide up to 40 dedicated staff to answer inbound calls related to new Driver Responsibility Fee assessments. Staffing needs must be mutually agreed with Contractor and State to meet Performance Metrics in section 1.022.6 of Contract.

Contractor Response to Task:

GC Services has always worked closely with the state to provide the best quality of service for the State of Michigan citizens. We look forward to continuing that relationship in this new endeavor by staffing the unit with the appropriate number of representatives to meet our Key Performance Metrics outlined in section 1.022.6 of the Contract. We have already begun the initial recruiting for these positions and will be able to assign the appropriate number of fully trained staff on "go-live" day.

e) Telephone services must be provided at the current Facility (see section 1.022.2 of Contract).

Contractor Response to Task:

> GC Services will ensure the call management system is fully capable of handling the increased call volume at the Jolly Cedar location.

2) Contractor will not be required to perform a full range of Collection Services on accounts under this change request scope. For example, Contractor will not attempt to maximize account recovery with various techniques (section 1.022.1.G of Contract), process liens/levies (section 1.022.1.i of Contract) and skip-trace (section 1.022.1.p of Contract).

Contractor Response to Task:

> GC Services understands the requirement to provide information to the inbound callers as the primary function of the group. Traditional collection services will not be engaged so as to undermine that objective.

3) Establish and/or maintain the necessary work flows/work lists and processes to effectuate a smooth transition of inbound calls related to new Driver Responsibility Fee assessments to the Contractor per section 1.022.13.

Contractor Response to Task:

> MARCS will be modified, if necessary, to ensure a smooth transition of work related to the new DRF accounts. Any changes required will be a collaborative effort between GC Services and the Department.

4) Retain the current Driver Responsibility Fee telephone number. The Department will bear the expense related to the implementation and ongoing costs of a T1 telephone connection to the Contractor's facility. Any further costs related to answering inbound telephone calls will be born by the Contractor.

Contractor Response to Task:

> GC Services is prepared to accept the redirection of the inbound calls from the Department to the MARCS location. GC Telecom resources have been engaged to support this effort and provide any help to the Department as needed.

a) The Contractor must work closely with the Department of Technology, Management and Budget and Collection Division staff to ensure the timely implementation of a T1 telephone connection to the Contractor's facility.

Contractor Response to Task:

> GC is prepared to collaborate with DTMB on the telephony infrastructure to ensure a seamless transition of calls.

5) Training

a) Effective training for all levels of management and staff is paramount in implementing this change/amendment to the contract. The Collection Division reserves the right to make changes or to participate in any Contractor training sessions as the Collection Division deems necessary without prior notice per section 1.022.5 of Contract.

Contractor Response to Task:

> GC Services has been at the core of the Driver Responsibility initiative since its inception. Our current trainers and management staff are well versed in the debt. We welcome any insight the Department would like to provide regarding this stage of the account's life with Treasury to provide the best service to the callers as possible.

b) The Contractor must provide a detailed Training Plan for review by the Collection Division for triaging inbound telephone calls related to new Driver Responsibility Fee assessments.

Contractor Response to Task:

> A detailed training plan, developed in conjunction with The Collection Division, will be provided upon implementation of the contract.

6) Performance Metrics

   a) The Contractor's performance will be measured by a combination of elements as described in section 1.022.6 of Contract. Performance related to the scope of this change request must be evaluated separately.

Contractor Response to Task:

GC Services is prepared to report on the performance metrics described in section 1.022.6 of Contract separate from the current collection group.

7) Quality Assurance

   a) The Contractor must cooperate fully and comply with any and all quality assurance procedures implemented by the Collection Division and as outlined in section 1.022.7 of Contract.

Contractor Response to Task:

GC Services is ready to fully comply with the Quality Assurance procedures of the Collection Division.

8) Reports

   a) The Contractor must provide the Department with reports and documentation relative to the activities associated with this change request as outlined in section 1.022.8 of Contract.

Contractor Response to Task:

Reporting that is currently in place for the enforceable collection accounts will be copied to the new DRF accounts to provide insight to the Department on the activities of the unit and uniformity to the reporting package.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities
1. Contractor must identify staff who will be involved in the project, including the name of each individual,

Contractor Response:

Bob Nieman, Project Director and Contract Administrator; Sheila Fews, Project Manager; Jessica Dykstra, Service Manager; 2-3 yet to be named Unit managers, several experienced STP collectors and yet to be hired staff.

2. Bidder must provide a project manager to act as a central point of contact for all contractual activities.

Contractor Response:

Jessica Dykstra will be the primary contact for contractual activities, supported by Sheila Fews and Bob Nieman

3. If an overall organization chart has been developed, provide a reference to that chart as well. Note any part-time personnel.

Contractor Response:

The organization chart will be provided once the staff has been hired and finalized.

4. Collection services must not be subcontracted to a third party.

Contractor Response:

GC Services does not, and will not, subcontract the new DRF account handling services.

1.040   Project Plan

1.041   Project Plan Management
1. The Contractor will carry out this project under the <u>direction and control</u> of the Contract Compliance Inspector (CCI)*.*

2. Although there will be continuous liaison with the Contractor team, the CCI will meet quarterly at a minimum, or as requested by the CCI, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.

Contractor Response to Task:

> Meetings will be scheduled quarterly with the CCI to review progress and results. Any directional changes will be discussed at these meetings and implemented by GC Services as quickly as possible.

3. Bidders must provide a draft project plan with proposal for the deliverables requested in section 1.022.

   Note: The plan must include the details noted in section 1.041.4 and details on the establishment of the necessary work flows and processes for transition of inbound telephone calls per section 1.022.2.

Contractor Response to Task:

> Draft Project Plan is attached.

4. Within five working days of Contract Change Notice issuance, the Contractor will submit to the CCI for final approval a detailed project plan. This final implementation plan must be in agreement with section 1.041.3 as proposed by the Contractor and accepted by the State for Contract, and must include the following:

   a. The Contractor's project organizational structure.

   b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

   c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

Contractor Response to Task:

> Final Project Plan will be provided with in 5 working days of the Contract Change Notice issuance.

1.042   Reports
1. The Contractor must submit written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the CCI; and notification of any significant deviation from previously agreed-upon work plans.

Contractor Response to Task:

> Monthly reports will be provided the CCI. GC Services will document results, challenges, and feedback to the CCI regarding the handling of the new DRF accounts. Progress, results, and challenges will be included in the monthly Steering Committee Meetings under a separate and unique section of the meeting.

GC Services has prepared the following requirements verification matrix in response to Statement of Work question 1.041.1 requesting a draft project plan. This tabular work plan format documents each 1.022 requirement, verifies our compliance approach, and indicates the resources responsible for ensuring this compliance.

Requirement from 1.022 of the Change Request 4 SOW	Compliance Approach	Resources Responsible
1) Inbound Customer Telephone Services for New Driver Responsibility Fee Assessments a) The Contractor must provide inbound customer telephone services for new Driver Responsibility Fee assessments on an as needed basis when requested by the Collection Division.	GC Services has worked closely with the Department of Treasury over the last 25 years to provide the highest quality service on any task assigned by the Department. We are fully trained on Driver Responsibility Fee Assessments, having collected the enforceable accounts since their inception, and are prepared to begin handling the calls for the new Driver Responsibility Fees when Treasury decides the time is right.	New Driver Responsibility Units
b) The Contractor must answer and triage inbound telephone calls related to new Driver Responsibility Fee assessments, to include, but not limited to, providing information about the Driver Responsibility Fees, setting up installment agreements, and effectuating payment.	The GC staff in Lansing participated in the original meetings that discussed Driver Responsibility Fees in 2004. We have worked closely with the Department ever since to ensure the accounts are handled appropriately. This knowledge already acquired and our close relationship with Treasury will prove invaluable in ensuring a smooth transition of these inbound calls to a specialized group at the Jolly Cedar location.	New Driver Responsibility Units
c) The Collection Division reserves the right to exclusively manage the accounts in the State's best interest per section 1.022.1.b of Contract.	Programming will be implemented for account representatives to remove an account from the GC Services' work lists when notified of instructions to cease collection activity. Additionally, upon oral or written notification to GC management, accounts will be immediately removed from the call center.	New Driver Responsibility Units
d) Provide up to 40 dedicated staff to answer inbound calls related to new Driver Responsibility Fee assessments. Staffing needs must be mutually agreed with Contractor and State to meet Performance Metrics in section 1.022.6 of Contract	GC Services has always worked closely with the state to provide the best quality of service for the State of Michigan citizens. We look forward to continuing that relationship in this new endeavor by staffing the unit with the appropriate number of representatives to meet our Key Performance Metrics outlined in section 1.022.6 of the Contract. We have already begun the initial recruiting for these positions and will be able to assign the appropriate number of fully trained staff on "go-live" day.	New Driver Responsibility Units

Requirement from 1.022 of the Change Request 4 SOW	Compliance Approach	Resources Responsible
e) Telephone services must be provided at the current Facility (see section 1.022.2 of Contract).	GC Services will ensure the call management system is fully capable of handling the increased call volume at the Jolly Cedar location.	Call Service Management and representatives
9) Contractor will not be required to perform a full range of Collection Services on accounts under this change request scope. For example, Contractor will not attempt to maximize account recovery with various techniques (section 1.022.1.G of Contract), process liens/levies (section 1.022.1.i of Contract) and skip-trace (section 1.022.1.p of Contract).	GC Services understands the requirement to provide information to the inbound callers as the primary function of the group. Traditional collection services will not be engaged so as to undermine that objective.	Call Service Management and representatives
10) Establish and/or maintain the necessary work flows/work lists and processes to effectuate a smooth transition of inbound calls related to new Driver Responsibility Fee assessments to the Contractor per section 1.022.13.	MARCS will be modified, if necessary, to ensure a smooth transition of work related to the new DRF accounts. Any changes required will be a collaborative effort between GC Services and the Department.	System Administrator and Call Service Management
11) Retain the current Driver Responsibility Fee telephone number. The Department will bear the expense related to the implementation and ongoing costs of a T1 telephone connection to the Contractor's facility. Any further costs related to answering inbound telephone calls will be born by the Contractor.	GC Services is prepared to accept the redirection of the inbound calls from the Department to the MARCS location. GC Telecom resources have been engaged to support this effort and provide any help to the Department as needed.	GC Services Telecom Team
a) The Contractor must work closely with the Department of Technology, Management and Budget and Collection Division staff to ensure the timely implementation of a T1 telephone connection to the Contractor's facility.	GC is prepared to collaborate with DTMB on the telephony infrastructure to ensure a seamless transition of calls.	GC Services Telecom Team
12) Training a) Effective training for all levels of management and staff is paramount in implementing this change/amendment to the contract. The Collection Division reserves the right to make changes or to participate in any Contractor training sessions as the Collection Division deems necessary without prior notice per section 1.022.5 of Contract.	GC Services has been at the core of the Driver Responsibility initiative since its inception. Our current trainers and management staff are well versed in the debt. We welcome any insight the Department would like to provide regarding this stage of the account's life with Treasury to provide the best service to the callers as possible.	GC Services MARCS Training Staff
b) The Contractor must provide a detailed Training Plan for review by the Collection Division for triaging inbound telephone calls related to new Driver	A detailed training plan, developed in conjunction with The Collection Division, will be provided upon implementation of the contract.	GC Services MARCS Training Staff and Center

Requirement from 1.022 of the Change Request 4 SOW	Compliance Approach	Resources Responsible
Responsibility Fee assessments.		Management
13) Performance Metrics a) The Contractor's performance will be measured by a combination of elements as described in section 1.022.6 of Contract. Performance related to the scope of this change request must be evaluated separately.	GC Services is prepared to report on the performance metrics described in section 1.022.6 of Contract separate from the current collection group.	Center Management
14) Quality Assurance a) The Contractor must cooperate fully and comply with any and all quality assurance procedures implemented by the Collection Division and as outlined in section 1.022.7 of Contract.	GC Services is ready to fully comply with the Quality Assurance procedures of the Collection Division.	MARCS QA Staff
15) Reports a) The Contractor must provide the Department with reports and documentation relative to the activities associated with this change request as outlined in section 1.022.8 of Contract.	Reporting that is currently in place for the enforceable collection accounts will be copied to the new DRF accounts to provide insight to the Department on the activities of the unit and uniformity to the reporting package.	Center Management
1.031 Contractor Staff, Roles, and Responsibilities 2. Contractor must identify staff who will be involved in the project, including the name of each individual,	Bob Nieman, Project Director and Contract Administrator; Sheila Fews, Project Manager; Jessica Dykstra, Service Manager; 2-3 yet to be named Unit managers, several experienced STP collectors and yet to be hired staff.	Center Management
3. Bidder must provide a project manager to act as a central point of contact for all contractual activities.	Jessica Dykstra will be the primary contact for contractual activities, supported by Sheila Fews and Bob Nieman	Center Management
4. If an overall organization chart has been developed, provide a reference to that chart as well. Note any part-time personnel.	The organization chart will be provided once the staff has been hired and finalized.	Center Management
5. Collection services must not be subcontracted to a third party.	GC Services does not, and will not, subcontract the new DRF account handling services.	GC Services Management

Requirement from 1.022 of the Change Request 4 SOW	Compliance Approach	Resources Responsible
1.041 Project Plan Management 3. Although there will be continuous liaison with the Contractor team, the CCI will meet quarterly at a minimum, or as requested by the CCI, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.	Meetings will be scheduled quarterly with the CCI to review progress and results. Any directional changes will be discussed at these meetings and implemented by GC Services as quickly as possible.	Center Management
1.042 Reports 2. The Contractor must submit written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the CCI; and notification of any significant deviation from previously agreed-upon work plans.	Monthly reports will be provided the CCI. GC Services will document results, challenges, and feedback to the CCI regarding the handling of the new DRF accounts. Progress, results, and challenges will be included in the Monthly Steering Committee Meetings under a separate and unique section of the meeting.	Center Management

Article 1, Attachment A
Pricing

A quick payment term of <u>0.25%</u> discount off invoice if paid within <u>30</u> days is offered on this Contract as an option to the current quick payment term of <u>0.5%</u> discount off invoice if paid within <u>15</u> days.

Note: The State and GC Services will annually review, or more frequently upon request, the call volumes to ensure fair pricing.

1) Option 1: Contingency Fee for Collection Services (New Driver Responsibility Fee Assessments)				
Description	**Contingency Fee**			
Value of Accounts Collected During Contract Period				
a) $0 or Greater	9.29%			

<u>Notes</u>:

1. Contingency fee must be inclusive of all collection service costs (non-MARCS related)
2. The State of Michigan does not guarantee a minimum or maximum dollar volume of work.
3. Contingency fee will be based on step pricing (fee will be based on cumulative collection totals from current and previous Contract years).
4. The Contractor will not receive compensation when offsets result in funds being applied to a debtor's accounts.

2) Option 2: Price Per Inbound Phone Call for Collection Services (New Driver Responsibility Fee Assessments)				
Description	**Price Per Inbound Call**			
Quantity of Inbound Phone Calls During Contract Period				
a) 0-2,400,000	$6.00			
b) 2,400,001 or Greater	$5.70			

Notes:

1. Price per Inbound Call must be inclusive of all collection service costs (non-MARCS related).
2. The State of Michigan does not guarantee a minimum or maximum volume of work.
3. Price Per Inbound Call will be based on step pricing (fee will be based on cumulative totals from current and previous Contract years).

Alternative pricing plan

Note: Below table indicates cost to State if current baseline collections remain static. Any collections in excess of base-line collections of $3,200,000 per month would be invoiced based on contingency rate of 9.29%.

3) Option 3: Contingency Fee for Collection Services (New Driver Responsibility Fee Assessments)				
Description	**Contingency Fee**			
Value of Accounts Collected During Contract Period				
a) $0 or Greater	8.13%			

Notes:

1. Contingency fee must be inclusive of all collection service costs (non-MARCS related)
2. The State of Michigan does not guarantee a minimum or maximum dollar volume of work.
3. Contingency fee will be based on step pricing (fee will be based on cumulative collection totals from current and previous Contract years).
4. The Contractor will not receive compensation when offsets result in funds being applied to a debtor's accounts.

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

DATE: May 25, 2011

TO: Mary MacDowell, Acting Chief Deputy Treasurer
Department of Treasury

FROM: Bruce Hanses, Administrator
Departmental Services Division

SUBJECT: Collection of Driver Responsibility Fees

Public Act 165 of 2003, known as the Driver Responsibility Law, took effect October 1, 2003. Its purpose is to encourage traffic safety by deterring potentially dangerous driving behavior. Michigan's Driver Responsibility Law calls for a monetary assessment for drivers who are convicted of specific qualifying offenses, or accumulate seven or more qualifying points on their driving records. Implementation of this act requires the Department of Treasury, on behalf of the Department of State, to collect fees associated with these assessments.

The Department of Treasury utilizes the collection services contract with GC Services Limited Partnership (#071B0200101) for collection of certain unpaid delinquent tax and State agency debt accounts. The drivers responsibility fee debts are considered State agency debts. The term of this contract is from November 16, 2009 through November 15, 2015 and the amount of the contract for Treasury collection services is $106 million.

Drivers responsibility fees are currently referred to GC Services Limited Partnership for collection after a certain timeframe. The Collection Division prefers to refer these accounts at an earlier point in the collection process. The current scope of the contract allows for the collection of these state agency debts; however, specifics related to the collections process and costs should be identified and the contract amended to reflect these specifics.

The processes necessary to accommodate this amendment are as follows:

1. Work with Treasury Purchasing to create a work statement and document the specific requirements. The work statement will be forwarded to GC Services by Treasury Purchasing. GC Services will provide a proposal in response to the work statement and Treasury Purchasing and Collections will work with GC Services to develop the documentation necessary for DTMB Purchasing Operations to amend the contract. DTMB Purchasing Operations has final authority for the amendment and the contract is not amended until notified by DTMB Purchasing Operations as indicated in a contract amendment.
2. When the contract was issued, the contract amount was determined based on various factors including estimated collections. Based on the collections experienced during the

first six months of the contract, which resulted in an average payment of $1.6 million per month, the current contract amount should accommodate the costs associated with the earlier collection of drivers responsibility fees.

3. Additionally, the CS-138 was submitted and approved based on the scope and amount of the contract. Therefore, the current CS-138 (#271S0200002) accommodates the requirements of the drivers responsibility fee debt collection.

As indicated, the contract and CS-138 amounts are based on estimated collections. Many factors impact the amount of collections including the economy in the State of Michigan. As Treasury Collections monitors the expenditures associated with this contract, if the State's economy or other factors indicate the contract related expenditures will be greater than the contract amount, the contract and CS-138 must be amended to reflect the expenditures. This amendment would be submitted to DTMB Purchasing Operations for processing, including State Administrative Board approval.

Please let me know if you have any questions.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET   April 20, 2011
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO.   071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (713) 776-6841
	Denny Wojcicki
GC Services Limited Partnership	
6330 Gulfton	
Houston, TX 77210	BUYER/CA (517) 241-1916
denny.wojcicki@gcserv.com	**Jim Wilson**

Contract Compliance Inspector: Wil Smalls (517) 636-5300
Collection Services – Michigan Department of Treasury and DHS

CONTRACT PERIOD:	From: **March 15, 2010**	To: **November 15, 2015**

TERMS	SHIPMENT
0.5 NET15 / NET 30	**N/A**

F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

NATURE OF CHANGE (S):

Effective immediately, the attached documents are hereby incorporated into this contract, resulting in various specification changes. Please find attached, Change Request 2, Exhibit F and Tax Amnesty proposal.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency and vendor agreement DTMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $130,005,074.96

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the account to the date it was removed, taking into consideration weekends and Contractor holidays. The standard of one business day is applicable to the Contractor priority core.

The reporting of the processing time from when the secondary state is added until it is removed will be done in three separate reports. Three reports will be done, one each for Contractor, Field, and State responsibilities. In the Contractor report only correspondence that is not processed within one business day (exceptions) will be listed. This will also include correspondence that have had the secondary state added but not yet removed when the date added is more than one business day prior to the report date. A summary will be generated that will detail the number of correspondences processed (moved to the secondary state within the quarter), the number of exceptions, and the percentage of exceptions (exceptions/total processed x 100).

D. **Subsection 6.e (Imaging and Correspondence Processing Rate):** Change to "The imaging/correspondence processing rate is defined as the requirement to process documents in designated work lists within a specified period of time, beginning with the date that the correspondence/document enters the designated MARCS work list. The Contractor must process at least 90% of correspondence within 10 business days. The parameters for this metric are similar to the Priority Document Processing requirement, with the exception that 90% of the all other documents imaged that are not covered under the Priority Document Processing metric are imaged, attached to the appropriate account, reviewed, and routed to the appropriate work list for additional processing. Separate reports will be generated for Contractor, Field, and State. The standard of ten business day is applicable to the Contractor core. Time will be measured in business days from the date when the secondary function state was added to the account until the date it was removed, taking into consideration weekends and GC holidays. Another report will be generated providing information on the number of days from when core is received until it is imaged.

The reporting of the processing time from when the secondary state is added until it is removed will be done in three separate reports. Three reports will be done, one each for Contractor (Responsibility = 6000), Field (Responsibility >= 7000), and State (Responsibility < 6000) responsibilities. In the Contractor report only correspondence that is not processed within ten business days (exceptions) will be listed. This will also include correspondence that have had the secondary state added but not yet removed when the date added is more than ten business days prior to the report date. A summary will be generated that will detail the number of correspondences processed (moved to the secondary state within the quarter), the number of exceptions, and the percentage of exceptions (exceptions/total processed x 100)."

E. **Subsection 6.f (Bankruptcy Petition Rate):** Delete section and replace with "Deleted – Not/Applicable).

F. **Subsection 6.g (Bankruptcy Claim Processing Rate):** Change to "The bankruptcy claim processing rate is defined as the processing of the original bankruptcy claims within a specified period of time. The processing period will begin from the date of petition. The Contractor must file 100% of original bankruptcy claims within the government bar date.

Contractor will process all bankruptcy claims within the government bar date."

7. **Section 1.022.9.k.iii(1), Page 36:** Change to "Recorded media will be stored for at least 90 days and available to the CCI, if necessary."

8. **Section 1.022.14, Page 40:** Add new section "Contractor must provide Amnesty Program services per proposal dated January 17, 2011 and Department response dated February 10, 2011."

9. **Exhibit D (Service Level Agreement), Page 326:** Change Service Level Agreement Criteria number 1 (System Up Time) as follows:

A. Replace "Novell NetWare Servers" with "Windows Servers" under Requirement Clarification column D

B. Replace "Correspondence not available (10%)" with "Correspondence not available (25%)" under Requirement Clarification column D.

10. **Exhibit F (Performance Metrics), Pages 336-337:** Delete and replace with the attached, updated Exhibit. The following changes were made:

A. Other Key Performance Metrics

1) Account Resolution Rate (Section 1.022.6.a of Contract)

a) Metric: Change to "Debt Resolution Rate"
b) Definition: Change to "The rate includes reduction of debt down to "0" as a result of payments being made or returns and other documents being submitted to reduce the account balance"
c) Requirement: Change to "The Contractor shall achieve a 30 percent minimum Debt Resolution rate of the debts transferred to the Contractor"

2) Debtor Contact (Section 1.022.6.b of Contract)

a) Definition: Change to "Contractor shall attempt to contact the debtor of any newly assigned account/assessment either by verbal/written/electronic methods"
b) Requirement: Within 10 calendar days of the account/assessment being assigned to MARCS"

3) Priority Document Processing (Section 1.022.6.d of Contract)

a) Definition: Change to "The processing of accounts in designated priority correspondence work list"
b) Requirement: Change to "Within one business day of date that the document entered the designated work list"

4) Imaging/Correspondence Processing Rate (Section 1.022.6.e of Contract)

a) Definition: Change to "The requirement to process documents in designated work lists to MARCS accounts within a specified period of time, beginning with the date that the correspondence/document enters the designated MARCS work list"
b) Requirement: Change to "At least 90% of correspondence is processed within 10 business days"

5) Bankruptcy Petition Rate (Section 1.022.6.f of Contract): Delete Metric.

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1) Telephone Contact and Written Contact

Telephone and Written Contact accessibility and efficiency performance metrics are intended to assess the ability of the Contractor to manage the collection system by efficiently routing callers to account representatives and having representatives available. The Contractor's representatives are expected to provide appropriate options and accurate information when assisting callers with resolving collection issues. The Contractor is to resolve issues without requiring repeated contacts by taxpayers.

Contact and Accessibility Metrics	Definition	Requirement	Report Frequency
Call Abandonment Rate (Section 1.022.6.c.viii of Contract)	The average point in time that callers disengage a call while waiting to be connected to an account representative	<3% after any introductory recording	Quarterly
Average Speed of Answer (Section 1.022.6.c.ix of Contract)	The average time required to connect a caller to an IVR system	<5 seconds	Quarterly
Time Service Factor (Section 1.022.6.c.x of Contract)	The percentage of incoming calls answered within a specific time frame by an account representative after the telephone call has been routed from the IVR to an account representative	85%/20 seconds	Quarterly
Time in Hold Queue (Section 1.022.6.c.xi of Contract)	The average time all incoming/outbound callers are placed on hold during a call, after being connected to an account representative	TBD	Quarterly
First Contact Resolution Rate (Section 1.022.6.c.xii of Contract)	The percentage of inbound calls or correspondence that can be resolved without the use of Contractor or taxpayer call backs or requests for additional correspondence to resolve an issue within 30 days of the initial contact	>=30%	Quarterly
Account Accuracy Processing Rate (Section 1.022.6.c.xiii of Contract)	The percentage of accounts assigned to the Contractor that are handled through appropriate collection processes	90%	Quarterly
Average Talk Time of Outgoing Calls (Section 1.022.6.c.xiv of Contract)	The average percentage of time spent on outbound calls per account representative	TBD	Quarterly

2) Other Key Performance Metrics

Key services include but are not limited to: removal of assessments/accounts from active collections upon bankruptcy notification, bankruptcy claim processing, document imaging, lien processing and account resolution rate and contacting debtors.

The Contractor is expected to appropriately and accurately process accounts assigned to them by the State. This includes maintaining a minimal backlog in key work list while maximizing the protection of the State's interest on tax accounts.

Metric	Definition	Requirement	Report Frequency
Priority Document Processing (Section 1.022.6.d of Contract)	TThe processing of accounts in designated priority correspondence work list	Within one business day of date that the document entered the designated work list	Quarterly
Imaging/Correspondence Processing Rate (Section 1.022.6.e of Contract)	The requirement to process documents in designated work lists to MARCS accounts within a specified period of time, beginning with the date that the correspondence/document enters the designated MARCS work list	At least 90% of correspondence is processed within 10 business days	Quarterly
Bankruptcy Claim Processing Rate (Section 1.022.6.g of Contract)	The contractor will process original bankruptcy claims within a specified period of time. The processing period will begin from the date of setion	100% of original bankruptcy claims are to be filed within the government bar date	Quarterly
Bankruptcy Account Processing Rate (Section 1.022.6.h of Contract)	The maximum backlog date allowable for designated bankruptcy account work list	At least 90% of accounts are to be reviewed/processed within one business day of the date that the account enters the work list	Quarterly
Lien Record Processing (Section 1.022.6.i of Contract)	The time frame that Liber and Page information on recorded liens returned from the counties is entered on the MARCS system	Within 10 calendar days of the lien information being returned to the State from the county	Quarterly
Lien Processors/Liens Available (Section 1.022.6.j of Contract)	The percentage of tax accounts/assessments assigned to the vendor that are reviewed for potential lien filings	At Least 95% of tax assessments/accounts eligible for lien filings are to be reviewed for potential lien request by vendor within 90 days of the assessment/accounts being assigned to the vendor	Quarterly
Debt Resolution Rate (Section 1.022.6.a of Contract)	The rate includes reduction of debt down to "0" as a result of payments being made or returns and other documents being submitted to reduce the account balance	The Contractor shall achieve a 30 percent minimum Debt Resolution rate of the debts transferred to the Contractor	Quarterly
Debtor Contact (Section 1.022.6.b of Contract)	Contractor shall attempt to contact the debtor of any newly assigned account/assessment either by verbal/written/electronic methods	Within 10 calendar days of account receipt	Quarterly

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

DATE: February 10, 2011

TO: Bob Nieman, MARCS Project Director
cc: Ann Good, Administrator, Collection Division

FROM: Wilfred Smalls, Asst. Administrator, Collection Division

SUBJECT: GC Services Amnesty Proposal

I have reviewed your proposal to leverage your expertise and technology to advance Michigan's Tax Amnesty program. I have also discussed the proposal with Ann Good, Collection Division, Administrator. The following is our response, categorized similar to your recommendations:

Call Campaign

We are encouraged and impressed by the flexibility and robust capacity of the Aspect Call Management System. We feel that outbound call campaigns designed specifically to approach select segments of our amnesty eligible population with the expressed desire of advocating amnesty, could prove a rewarding endeavor for the State and taxpayers. Therefore, we encourage you to proceed with this aspect of the proposal.

We are not as enamored with the proposed unattended message campaign, as this may present unintended privacy and disclosure issues. Therefore, we insist that you drop this part as a campaign.

The inbound call, welcome script option, providing taxpayers with information about amnesty benefits and rules for participation is acceptable, upon Treasury review of message content. We also encourage your call staff to provide taxpayers with information that will assist them in making an educated decision about participating in the amnesty program.

Letter campaign

In addition to the STAR letter campaign, we welcome a MARCS letter campaign that notifies eligible taxpayers of the amnesty program and encourages their participation. The cleansing of all account addresses for the MARCS mailing, will ensure greater awareness of the program through deeper penetration into our debtor population. The timing of this letter will need to be addressed later. It is also our desire to have a <u>Confirmation-amnesty granted/denied</u> letter issued to all participating taxpayers from the MARCS system.

Correspondence

We accept your proposed price change of $1.25/amnesty document, for the imaging of amnesty application documents, which is a reduction from your $2.52/ document imaging rate for all non-amnesty documents. This price change will be in effect only for documents related to the 2011 amnesty period.

Payments

Although, we would like to expand payment options that we can offer taxpayers, we do not feel that we can mange the development of both projects at this time. However, we would like you to present as a separate document, details of your ideas on how to utilize a third party vendor to facilitate the use of debit/credit cards for the payment of delinquent taxes and state agency debts. We expect the document by April 15, 2011.

Discovery

At this time, we ask that you hold off on pursuing a tax discovery program. There are many barriers to developing such a program at this time, including available IT resources. Therefore, we will keep this offer in mind, but ask that you focus your efforts on other parts of the proposal.

We can meet to discuss the specifics of any aspect of this response. If you have any questions, please contact me.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **February 17, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
TO
CONTRACT NO.   071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (713) 776-6841
	Denny Wojcicki
GC Services Limited Partnership	
6330 Gulfton	
Houston, TX 77210	BUYER/CA (517) 241-1916
denny.wojcicki@gcserv.com	**Jim Wilson**

Contract Compliance Inspector: Wil Smalls (517) 636-5300
Collection Services – Michigan Department of Treasury and DHS

CONTRACT PERIOD:	From: **March 15, 2010**	To: **November 15, 2015**

TERMS	SHIPMENT
0.5 NET15 / NET 30	**N/A**
F.O.B.	SHIPPED FROM
N/A	**N/A**
MINIMUM DELIVERY REQUIREMENTS	
N/A	

NATURE OF CHANGE (S):

> Effective immediately, this contract is hereby **INCREASED** by **$100,000.00** to add and provide collection services on child support cases for the Department of Human Services. This change notice request is to continue the DHS pilot for a period not to exceed one year through November 1, 2011. DHS will conduct an evaluation by June 1, 2011 to determine if the pilot project should continue after November 1, 2011.

> All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

> Per agency and vendor agreement, Ad Board approval on 2/15/11 and DTMB/Purchasing Operations' approval.

INCREASE: $100,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $130,005,074.96

FOR THE CONTRACTOR: **FOR THE STATE:**

GC Services Limited Partnership
_____   _____
Firm Name   Signature

_____   _____
Authorized Agent Signature   Name/Title

_____   _____
Authorized Agent (Print or Type)   Division

_____   _____
Date   Date

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET   **March 19, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
TO
CONTRACT NO.   071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (713) 776-6841
		Denny Wojcicki
GC Services Limited Partnership		
6330 Gulfton		
Houston, TX 77210		BUYER/CA (517) 241-1916
	denny.wojcicki@gcserv.com	**Jim Wilson**

Contract Compliance Inspector: Wil Smalls (517) 636-5300	
Collection Services – Michigan Department of Treasury	

CONTRACT PERIOD:	From: **March 15, 2010**		To: **November 15, 2015**
TERMS **0.5 NET15 / NET 30**		SHIPMENT **N/A**	
F.O.B. **N/A**		SHIPPED FROM **N/A**	
MINIMUM DELIVERY REQUIREMENTS **N/A**			

Current Authorized Spend Limit: $129,905,074.96

**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933**

CONTRACT NO.   071B0200101
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (713) 776-6841
GC Services Limited Partnership **6330 Gulfton** **Houston, TX 77210** denny.wojcicki@gcserv.com	**Denny Wojcicki**
	BUYER/CA (517) 241-1916
	Jim Wilson

Contract Compliance Inspector: Wil Smalls (517) 636-5300
Collection Services – Michigan Department of Treasury

CONTRACT PERIOD:	From: **March 15, 2010**	To: **November 15, 2015**

TERMS	SHIPMENT
0.5 NET15 / NET 30	**N/A**

F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

MISCELLANEOUS INFORMATION:

Current Authorized Spend Limit: $129,905,074.96

THIS IS NOT AN ORDER: Orders for delivery may be issued directly by the State of Michigan through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR:	FOR THE STATE:
GC Services Limited Partnership	
Firm Name	Signature
	Sergio Paneque, Director
Authorized Agent Signature	Name/Title
	Business Services Administration
Authorized Agent (Print or Type)	Division

Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. 071B0200101
Collection Services for the Department of Treasury

Buyer Name: Jim Wilson
Telephone Number: 517-241-1916
E-Mail Address: wilsonj4@michigan.gov

Table of Contents

ATTACHMENTS

Attachment A, Pricing

EXHIBITS

	Reference	Subject
B.	1.022.3	Functional System Requirements
C.	1.021.4	Required Interface Records and Layouts
D.	1.022.9.a	Safeguard Requirements of Confidential Data
E.	1.022.3.j	Service Level Agreement
F.		Reserved
G.	1.022.6	Performance Metrics
H.	1.022.3	MARCS Hardware, Software and Peripheral Equipment
I.		Reserved
J.	1.022.4.d	CEPAS Brochure
K.	1.022.9.p	Form 4621, What is an Incident? (brochure)
L.	Exhibit A	MARCS Nightly Batch Processing

APPENDICES

1.   MARCS Technical Architecture
2.   Proposed Computer Room Layout
3.   SEM Methodology Mapping
4.   Network Connectivity Diagram
5.   Training – Training Agenda, Collection Excellence, Train the Trainer, Training Certifications
6.   Performance Reporting
7.   Workflow Diagram – Account Management
8.   Quality Forms/Surveys
9.   Reserved
10.   Organizational Charts (Project and IT)
11.   Draft Project Plan
12.   Reserved
13.   Reserved
14.   Reserved
15.   Skip-trace Procedures

DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

ACH means Automated Clearing House, a nationwide electronic funds transfer system that provides for inter-bank clearing of electronic payments.

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Baseline Software means the MARCS software package as it exists at the beginning of the Contract.

BCP means Bankruptcy Claims Professional, a software package used for processing bankruptcy petitions and claims.

Bidder(s) are those companies that submit a proposal in response to this Contract.

Bill for Final Taxes Due (also known as Final Assessment) is a notice sent to a taxpayer who does not pay tax due, present correcting information, or request an informal conference within 60 days after receiving the Notice of Intent to Assess.

Billing and Collections Process is the process that takes place when a taxpayer has unpaid debt. The process includes four steps; the Initial Efforts to Collect the Debt, Referral to the Collection Division, Final Billing, and Escalated Collection Activity.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CACS-G means Computer Assisted Collection System for Government.

CBT means Computer Based Training.

CCI means Contract Compliance Inspector.

CEPAS means Centralized Electronic Payment Authorization System, a centralized electronic method for processing payment for the State of Michigan.

COBIT means Control Objectives for Information and related Technology.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.
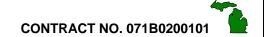
Deliverable means physical goods and/or services required or identified in a Statement of Work.

DMB means the Michigan Department of Management and Budget.

Enterprise Solution Assessment means a study done to determine if a proposed change to an interface meets the State's security standards.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Final Billing is a notice sent to a taxpayer who fails to resolve the tax debt or request an informal conference within 60 days of the date of the Notice of Intent to Assess.   The Collection Division sends a Bill for Final Taxes Due (Final Assessment) to the taxpayer. In some instances assessments do not go through the first two steps, but are issued directly as final billings.

Final Demand Letter is a notice which expressly states a debt is due and payable either immediately or within a specified time period. The notice must be sent 10 days prior to seizing assets through levy or warrant action.

GAL means Garnishment and Levy system.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

IVR means Interactive Voice Response.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

Letter of Inquiry is a notice sent to a taxpayer stating the reason tax may be owed and requests the taxpayer provide information supporting a return as filed by the taxpayer.

MARCS means Michigan Accounts Receivable Collection System.

MDIT means Michigan Department of Information Technology.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

NIST means National Institute of Standards and Technology.

Notice of Intent to Assess is a notice sent to a taxpayer indicating amount of tax owed, reason for deficiency, and advises of the right to dispute tax owed by requesting an informal conference.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.

Predictive Dialer means an auto dialer software program that will transfer an automated phone call to an operator or agent when the call is answered by a live person.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

SAP means Systems Applications and Products (software package).

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

STAR means State Treasury Accounts Receivable, the State's current accounts receivable system.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

SUITE means State Unified Information Technology Environment. It is a standardized methodology for project and systems development based on standardized and repeatable practices.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent Contractors engaged by Contractor solely in a staff augmentation role.

SEM means Systems Engineering Methodology.

Taxpayer Bill of Rights is a handbook written as part of the provisions of Public Act 13 and 14 of 1993 to explain State employee responses to the public, standards for tax audit activities, and to help taxpayers understand their rights and responsibilities.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.

<u>**Article 1 – Statement of Work (SOW)**</u>

1.010   Project Identification

1.011   Project Request
This Contract for the State of Michigan (State), Department of Treasury (Department), Financial Services Bureau, Collection Division (Collection Division) is to provide collection services to pursue the collection of certain unpaid delinquent tax and State agency debt accounts. The Collection Division reserves the right to exclusively manage the assignment of accounts in the State's best interest.

The period of January 6, 2010 through November 15, 2010 will be for implementation and transition for the Contractor; no payment will be made to the Contractor during this period. The Contractor must begin providing all Services, without interruption, on November 16, 2010.

1.012   Background
The Michigan Department of Treasury is legislatively directed by several Public Acts, the primary Act being the Revenue Act (1941 PA 122), to collect delinquent assessed taxes administered by the Department and debts owed to State agencies, including some universities and courts. A copy of the Revenue Act can be obtained on the Michigan Legislature website at www.michiganlegislature.org .

The Collection Division is responsible for the administration of the collection program. Currently, the Collection Division acts as the central agency for the collection of over 300 types of delinquent tax and State agency debts. Non-tax debts include, in part, mental health cost of care accounts; Driver Responsibility Fees; welfare overpayments; District Court costs, fines and fees; and various miscellaneous accounts referred from State departments and agencies. On average the Contractor manages an inventory of 633,000 accounts totaling $1.8 billion.

Overview of the Billing and Collections Process
The following is a brief overview of the Department's Billing and Collections Process. A more thorough explanation can be found in the Taxpayer Bill of Rights, which can be obtained on the Department's website at www.michigan.gov/treasury.

Step 1: Initial Efforts to Collect the Debt
<u>Tax Debts:</u> Tax returns are received, processed and accounted for by the respective taxing divisions. Business taxes are comprised of, but are not limited to, Sales, Use, Withholding, Michigan Business (formerly Single Business), Cigarette, and various Motor Fuel taxes. Corporate Officers are also assessed for business tax debts. Taxes on individuals include, but are not limited to, Individual Income, Cigarette, and Use Tax. Each of the respective tax divisions maintains a separate database for processing tax returns; however, as of the time of issuance of this Contract, the Department is engaged in a project to develop a new integrated tax system that would eventually replace all of the individual legacy systems.

If the Department believes that a taxpayer owes a tax, the Tax Processing Bureau or Tax Compliance Bureau sends a Letter of Inquiry to the taxpayer for the balance of the taxes due. The taxpayer has 30 days to respond to the letter and resolve the debt.

<u>State Agency Debts</u>: To meet due process requirements, the State agency to which the debt is owed is required to notify the debtor of the liability and attempt collection prior to referring the delinquent account to the Department.

Step 2: Referral to the Collection Division
<u>Tax Debts:</u> If the taxpayer fails to resolve the tax debt within 30 days from the date of the Letter of Inquiry, the Collection Division sends a Notice of Intent to Assess to the taxpayer for the balance of the taxes due. The notice Includes information about the amount of tax due, reason for deficiency, and advises the taxpayer of their rights. The taxpayer has 60 days to either pay the amount in full or request an informal conference to resolve the dispute.

<u>State Agency Debts</u>: State agency debts are referred to the Collection Division from various State agencies, courts, and universities. The State agency attempts collection for at least 180 days, and all appeals have been exhausted with the State agency. State agency debts go straight to *Step 3: Final Billing.*

Step 3: Final Billing
Tax Debts: If the taxpayer fails to resolve the tax debt or request an informal conference within 60 days of the date of the Notice of Intent to Assess, the Collection Division sends a Bill for Final Taxes Due (Final Assessment) to the taxpayer. Further, in some instances assessments do not go through the first two steps, but are issued directly as final billings. The taxpayer has 30 days to pay the amount in full, make payment arrangements, or make an appeal to the Tax Tribunal. Penalty and interest will continue to accumulate as long as there is a tax balance due.

State Agency Debts: The Collection Division sends a Final Demand Letter to the debtor for the balance of the State agency debt owed. Based on the type of State agency debt, the debtor has a certain number of days to pay the amount in full or make payment arrangements before further collection action is taken.

Step 4: Escalated Collection Activity
If the taxpayer fails to resolve the delinquent tax or state agency debt within 35 days of the date of the Final Billing, the Collection Division will proceed with further collection activity. The statute provides the Department with a variety of collection tools to effectuate the collection of the debt as follows:
- May place liens on property for tax debts
- May levy assets, such as bank accounts and wages
- May intercept vendor payments or refund monies owed to the debtor by the State to apply to the debt
- Corporate officers may be assessed for their business tax debt
- May seize and sell property via the issuance of warrants to apply to the tax debt
- The debt may be placed with a private collection agency.
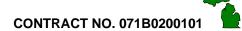
Overview of the Collection Division
The collection process is an integrated process stream comprised of three administrative areas. Each area is responsible for a variety of tasks to effectuate the collection of delinquent accounts. The Collection Division's objective is to provide fair and consistent collection practices, while trying to minimize the number of contacts that the public must make with the Department in order to resolve their debts. Further, the Collection Division strives to provide a one-stop-resolution environment for our customers whenever possible. The following is a brief description of the three administrative areas of the Collection Division:

a) Central Office**:** The Central Office is staffed by approximately 100 employees who provide support for all Collection activities. The Central Office functions include, in part: maintaining a phone center for incoming calls; processing incoming correspondence; activities related to payment processing (location of payments, insufficient funds checks, etc.); issuance and release of liens, levies, and corporate officer liability; systems oversight; and the review and approval of various collection activities [Installment Agreement (IA) plans, requests for write off, penalty waivers, etc.]. Further, the Central Office manages accounts that are not assigned to the private collection vendor and the Field Offices, such as accounts not beyond the appeal process, accounts with foreign addresses, accounts that are currently not collectible or pending write-off, and accounts under review before continuing collection activities. The Division's Quality Assurance monitor(s) will monitor the activities of the Contractor's employees to ensure adherence with the terms and conditions of this Contract.

b) Field Offices: The Collection Field Offices are located in seven communities throughout the State, with the concentration of staff located in South Eastern Michigan. There are approximately 70 employees assigned to these offices. The Field Support staff provides information to taxpayers regarding the collection process, accepts payments, and other collection related activities. Accounts assigned to the Field are largely in-State business tax accounts and related Corporate Officer debt. Revenue Officers pursue debts through field visits to the debtor, along with telephone and written contacts. Warrant Officers are assigned accounts to take the escalated enforcement step of issuing a warrant for seizure and sale of the business assets.

c) Private Collection Contract: The Department contracts with a private collection agency to collect delinquent tax and State agency debts. The Collection Division, though the CCI (see section 2.022), manages, monitors and provides oversight of the Contractor's collection activities to ensure fair, consistent collection practices that are in compliance with the terms of this Contract and with State and Federal Fair Debt Collection Practice Acts. Collection Division staff, to include the Interface Unit, will work closely with the Contractor to support the efforts of the Contractor.

The Collection Division utilizes the STAR system and MARCS to manage and maintain all accounts for individual and businesses debtors. MARCS is a commercial off-the-shelf software (CACS-G) that was developed by American Management Systems and customized for the State. The administration of the collection systems is conducted in the Lansing area; however, systems users are located in multiple locations and in multiple State agencies throughout the state of Michigan.

The Collection Division Systems Operations Assistant Administrator and the Collection Division Systems Team liaisons with the Contractor's system administrator and system team to address any system issues related to the administration of this Contract. State personnel will play an active roll in all aspects of the project in order to assure that the Department staff gain sufficient knowledge of the design and operation of the system, so they can monitor its use and maintain the STAR system interfaces in the future. Up to four state personnel will provide subject matter expertise concerning the various functions and active review and coordination of the process. State personnel will also perform necessary acceptance testing procedures. They will provide the CCI with a recommendation of the readiness of the software and interfaces for implementation.

In addition, the MDIT is responsible for advising the Department on information technology issues, from project planning, compliance with State IT standards, security, and IT operations. The MDIT will assign a technical project coordinator (project manager) who will be the primary point of contact for the Collection Systems Team and Contractor to coordinate all MDIT resources if and when required.

1.020   Scope of Work and Deliverables

1.021   In Scope
The Contractor must provide collection services on behalf of the State. The Contractor must be registered to perform collection activity in the State prior to actively collecting debts on the State's behalf.

As part of the Collection Operation, the Contractor must provide the following:

1) Collection services for unpaid delinquent tax and state agency debt accounts (see section 1.022.1). The Collection Division reserves the right to exclusively manage the assignment of accounts in the State's best interest. The Contractor must only provide collection services on accounts as determined by the Collection Division. Collection services/activity must not be subcontracted to a third party collection agency.

2) Collection services at a dedicated location within a 20 mile radius of the State Capitol in Lansing, Michigan (see section 1.022.2). All collection services will be performed by a dedicated staff employed by the Contractor solely for the purpose of the collection of Michigan delinquent tax and State agency debts. The proximity of the Contractor to the Collection Division Administration will enhance the Collection Division's quality control and the working relationship with the Contractor.

3) In addition to the collection services stated in this work statement, Contractor must provide directly, or through subcontracting, system software staff to maintain and enhance as necessary the MARCS and to assure reliability for the MARCS operations. Functional system requirements are further discussed in Exhibit A (see section 1.022.3)**.**

4) Establish and/or maintain the necessary and reliable interfaces and connectivity between the MARCS system and the Department's system(s), along with all technology and equipment necessary, at the Contractor's expense. Details of interfaces and connectivity are discussed in Exhibits A and B (see section 1.022.3).

5) Provide staff to process Bankruptcy petitions and generate claims related to delinquent debtors, as well as maintain accounts in bankruptcy status (see section 1.022.1.j). On average 3,000 bankruptcy claims are expected to be filed annually. The Department currently utilizes the BCP system, which interfaces with MARCS, to assist in managing and maintaining bankruptcy accounts.

6) Provide staff and necessary equipment and software to image, print and process correspondence, along with additional services that are a part of the collection operation for all accounts assigned to the Contractor (see section 1.022.1.k, 1.022.1.l and Exhibit A). 579,384 pages (approximately 71,400 documents) were scanned in 2008 (includes MARCS correspondence); furthermore, approximately 544,000 letters are printed annually.

7) Provide staff and necessary equipment to image correspondence for accounts assigned to the Collection Division (see section 1.022.1.k Exhibit A). The Department will compensate the Contractor for costs associated with imaging related to accounts not assigned to the Contractor. 556,663 pages (approximately 68,600 documents) were scanned in 2008 (includes Department correspondence).

8) Provide courier service for pick-ups and deliveries between Contractor's site and the State's Secondary Complex twice per day (see section 1.022.10).

1.022   Work and Deliverable
Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

Contractor must provide Deliverables/Services and staff for the collection of delinquent taxes and State agency debt accounts referred to the Contractor by the Collection Division in accordance with the terms and conditions set forth herein, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

2) **Collection Services**

a) The Contractor must provide collection services for the types of taxes and debts on an as needed basis when requested by the Collection Division.

b) The Collection Division reserves the right to exclusively manage the assignment of accounts in the State's best interest. The Contractor must only provide collection services on accounts as determined by the Department. Accounts that may not be referred include, but are not limited to, delinquent active business accounts, accounts involved in litigation, and student loan debts. The Contractor must immediately cease collection activity on any accounts as determined by the Collection Division.

i. Recall of Accounts: Any and/or all delinquent accounts may be systematically withdrawn by the Department at any stage of the collection process without prior notice and at the sole discretion of the State. Further, upon oral or written notification, the Contractor must immediately cease activity on a delinquent account. Reasons for recall of accounts will include, but not be limited to, the following:

(1) An account(s) may be recalled to resolve substantial issues
(2) An account(s) will be recalled when a debtor has filed for protection under the Federal Bankruptcy Act.
(3) An account(s) may be recalled to reassign the account to the Field Office to make personal contact with the debtor.

c) The Contractor must accept for collection any and all delinquent tax and State agency debt accounts including debts not currently administered by the Collection Division.

d) The Contractor must actively pursue each account on a routine basis until the account is resolved; the legal time-frame for collection has expired; or the account is recalled by the Collection Division (also see section 1.022.6.a for Account Resolution Rate).

Work lists are established to allow for collection activity on each account. Work lists are regularly analyzed and modified as needed to ensure that all accounts are actively pursued. If an account is identified as needing activity, steps are taken to ensure it receives the proper work effort. Work lists present accounts so they are actively pursued on a routine basis. Routine analysis of inventory is performed to ensure that all accounts are actively being pursued. System rules are changed as needed to guarantee the most effective work efforts.

e) All information furnished to the Contractor by the Collection Division will be obtained from sources deemed reliable; however, the accuracy of the information is in no way guaranteed by the Collection Division. The State or its several departments is not liable for any damages suffered by the Contractor as a result of reliance on said information. Nothing in the Contract is deemed to waive sovereign immunity.

Analysis of provided information is performed upon receipt of an account. Any recent updates to taxpayer information found using a source deemed reliable is added to the account and shared with Treasury.

f) The Contractor must utilize a fair, consistent collection process that maintains compliance with the State and Federal Fair Debt Collection Practice Acts.

   i. Emphasis on all accounts referred must be securing full payment within the shortest possible time frame.
   ii. The Contractor's employees interacting with the public on the State's behalf must be sufficiently trained to provide accurate and pertinent information and be held to the highest standards of telephone etiquette and professionalism.
   iii. Complaints must be immediately addressed by the Contractor's supervisory staff and/or by Department staff, as determined by the CCI. A written summary of the complaint, actions taken, and resolution must be provided to the CCI

Collectors are trained to gather the information necessary to obtain the best possible arrangement for each account, with an emphasis on securing full payment within the shortest possible time frame. Contractor employs a "Firm, Fair, Friendly" collection strategy. Collection personnel receive extensive training regarding the Fair Debt Collection Practices Act and the Consumer Credit Protection Act during new hire and ongoing training. Every new hire and current employee must pass the FDCPA test with a score of 100% before taking any live calls. In addition, a test on FDCPA requirements is administered twice yearly, and every employee in the center is required to pass the test with a score of 100%. Contractor demands full compliance and ensures this with monthly prevention meetings specific to the FDCPA. The topics for these meetings are forwarded to each center by Contractor's Vice President of Regulatory Affairs.

Contractor emphasizes customer satisfaction and positive customer response during its initial and follow-up training sessions. In a collection environment the objective is two-fold: collect the debt and maintain customer satisfaction. Collecting the debt while treating the patron poorly results in short-term collection results and causes potential ill will. Extensive new hire and ongoing training ensures account representatives are equipped with the voice control, scripts, and guidelines they need to consistently and uniformly implement this strategy. All Contractor account representatives continue to receive monthly refresher training in complaint prevention.

Contractor continually emphasizes their commitment to training and complaint prevention with refresher courses, and updates training materials to reflect any changes required by clients or regulatory mandates.

In order to further ensure that all laws, rules, regulations, and standard operating procedures are being adhered to, each of Contractor's collections service centers is audited regularly by quality assurance and management personnel, and by corporate auditing staff. All account representatives will be required to successfully complete a four-week comprehensive training class. Furthermore, all account representatives must successfully complete a certification test of the Fair Debt Collection Practices Act (FDCPA).

g) The Contractor must attempt to achieve maximum recovery of each account using techniques which must include, but not be limited to, the following:

   i. Telephone calls (see section 1.022.6.c for Telephone and Written Contact Accessibility, Efficiency and Performance Metrics requirements)
   ii. Mailed correspondence (see sections 1.022.6.b and c)
   iii. Skip-tracing activities to locate Social Security Numbers, debtor addresses, telephone numbers, etc.
   iv. Locator networks
   v. Employee and Asset Information: The Contractor must ascertain and document in MARCS employment, asset and location information.

Outgoing calls can be generated manually or by a dialer. Contractor has identified the top 40 hours that are prime time to maximize right party contacts. Collection letters are sent to generate inbound calls, maintain account diligence, and Treasury compliance. Skip-tracing is conducted by both account representatives on an individual account basis in real-time and batch processes.

Skip-trace vendors are regularly scrutinized and subjected to champion/challenger review to ensure the most effective resources are employed. All employment and asset information obtained is documented in the asset window on MARCS.

h) <u>Account Documentation</u>: The Contractor must thoroughly document in MARCS any actions taken on debtor accounts including, but not limited to, interest and penalty updates, status changes, demographics, adjustments and payment applications, details of any repayment schedules, skip-tracing activities, debtor contacts and attempted contacts, and debtor employment and asset information.

Contractor consistently reviews and enhances training to ensure proper documentation. The quality assurance department monitors account representatives on documentation to ensure that it is complete and accurate. Collectors are trained to contemporaneously add notes while working specific accounts in order to ensure that the information is accurately and timely recorded on any/all individual account.

i) <u>Lien and Levy Process (Also See Sections 1.022.6.i and j for Lien Record Processing and Lien Processors/Liens Available Performance Metrics)</u>

  i. The Contractor must participate in the lien and levy process by recommending issuance of liens and levies for the approval of the Collection Division. The Contractor will not seek court ordered judgments in collecting these debts. Liens are issued on taxpayer accounts only.

Contractor has a specialized lien and levy group that, in partnership with the quality assurance department, processes all requests and ensures that all steps have been accurately taken before a lien or levy is pursued.

  ii. At least two telephone contact attempts are required with the debtor prior to the Contractor recommending the issuance of a levy.

No account is pursued on a levy/lien basis until all required diligence required is satisfied and documented. Understanding that this process may be modified in the future, Contractor's systems and procedures are designed to be fluid in the event that the State decides to modify the desired level of communication between Contractor and the taxpayer in advance of Contractor's recalcitrant debtor collection practices.

j) <u>Bankruptcy Processing (Also See Sections 1.022.6 f, g and h for Bankruptcy Petition Rate, Claim Processing Rate and Account Processing Rate Performance Metrics, and 1.031.5 for Bankruptcy Staff)</u>

  i. The Contractor must process bankruptcy petitions and generate claims related to delinquent debtors, as well as maintain accounts in bankruptcy status.

  ii. The Contractor must monitor accounts through the bankruptcy process in accordance with bankruptcy law, court rules, and court orders.

  iii. Tasks related to maintaining bankruptcy accounts include, but are not limited to, removing the account from active collections, updating account balances, amending claims as needed, and redistributing payments within accounts per court orders.

  iv. The Contractor must utilize a claim and processing management system that interfaces with MARCS and other State systems for processing bankruptcy claims and to manage bankruptcy accounts.   Further details regarding bankruptcy processing are discussed in Exhibit A, section 8.11.

MARCS supplies the Collection Division with a specialized bankruptcy unit to track accounts from the initial filing of bankruptcy to its dismissal. Contractor utilizes the Bankruptcy Claim Pro (BCP) application to process bankruptcy petitions and generate claims. BCP interfaces with MARCS in real-time by automatically sending new and updated bankruptcy information to the MARCS database, and also by retrieving debt information from MARCS when manually requested by the user.

k) <u>Imaging</u>

  i. The Contractor must image and process collection related correspondence as requested by the Collection Division. Details regarding image and correspondence processing are described in Exhibit A, sections 7.13 and 8.6, and Exhibit G, section 7.7 (see section 1.022.6.e for Imaging and Correspondence Processing Rate performance metric).

Scanned correspondence is identified by the type of document, the source from which it was received, and the responsibility code of the department responsible for the account. The MARCS application has functionality to display the scanned correspondence to the user with standard image viewing software. All collection correspondence is linked to the corresponding account within 24 hours of receipt by the MARCS/Contractor mail room.

ii. Images must be attached to related accounts.

All mail/email/fax correspondence received is linked to the corresponding account within 24 hours of receipt by the MARCS/Contractor Mail room.

iii. Retention of Documents: The Contractor must retain paper copies of documents and reports in a secure location for a period of time determined by the Department and in accordance with the Department's policies and procedures for safeguarding confidential data.

(1) After the retention period, the Contractor must dispose of the documents in accordance with the Department's policies and procedures as described in Exhibit C, Safeguard Requirements of Confidential Data (see section 1.022.9.o.ii).

l) The Contractor must provide collection related printing services as requested by the Collection Division. Details regarding printing services are described in Exhibit A, sections 5.17, 8.2 and 8.18.2, and section 1.021.6 of this Contract. The Contractor must provide paper, envelopes, printing, inserting, folding, sealing, preparation, delivery, etc., and the State will pay mailing and equipment costs (see section 1.022.10 and Exhibit G, section 7.6).

Contractor will provide collection related printing services at no cost to the State from generation to mail preparation including printing, folding, sealing, and delivery to the State's mail operations. Documents are tracked from creation to print to ensure that all documents are printed.

m) Installment Agreements (IA): Any IA must be made in accordance with the Collection Division's policies and procedures. IA may be arranged with the debtor based on the debtor's financial condition and consideration of individual agencies' requirements and/or supplemental Contract specifications. The Collection Division maintains repayments standards similar to the Internal Revenue Service.

Collectors are trained to gather the information necessary to obtain the best possible arrangement for each account, with an emphasis on securing full payment within the shortest possible time frame. MARCS has online controls to support the Collection Division's policies and procedures regarding minimum payment calculations. Furthermore, MARCS has online windows to allow the creation of installment agreements, along with the documentation of the debtor's financial condition.

n) Penalties and Interest: Where collection penalties have been imposed under the Michigan Revenue Act, the Contractor must assist the State in collecting penalties and interest accrued on the debt.

The MARCS system ensures the proper penalty and interest are added to accounts based on monthly STAR updates. The MARCS system has programs in place to project penalty and interest in the event the State updates are delayed. MARCS has the ability to project penalty and interest through the repayment period to ensure that any payment arrangements will pay off the current balance, plus any future penalty and interest adjustments.

i) Michigan law prohibits the waiver of tax and highly restricts the waiver of interest. Penalty may be waived by the Department if such a waiver is deemed appropriate based upon reasonable cause. When a debtor requests that the penalty be reduced or waived, the Contractor must immediately forward the written request and all pertinent information to the Collection Division and the Contractor must cease collection efforts until the request is resolved by the State unless specifically directed to continue collection activities.

o) Collection Enhancements: The Contractor must meet with the State at a minimum of annually to propose and discuss additional tasks, activities, or technological solutions that will enhance the opportunity to improve the processes and results of collection efforts.

p) Skip-Tracing Activities

    i. Upon Contract implementation, the Contractor must enter into discussions with the Department to develop mutually agreed upon skip-tracing work strategies and reporting criteria that provide the Department with a reasonable assurance that all accounts are appropriately reviewed periodically for the most up to date information that will assist in the collection effort.

    Contractor will work with the Department to develop and further enhance the mutually agreed upon skip-tracing work strategies and reporting criteria to ensure that all accounts maintain the most up-to-date information. Reporting will be in place to provide the Department with assurance that all accounts receive the reasonable skip-tracing efforts.

    ii. The Contractor must demonstrate to the Department that the skip-tracing effort is continuous and consistent during the period that the Contractor retains the account.

    Contractor will demonstrate to the Department that skip-tracing is continuous and consistent by providing the Department with reporting that details skip-tracing efforts on accounts assigned to MARCS. All reporting is evaluated for constant improvements to ensure the Department is provided with the most up-to-date information regarding skip-tracing activity.

    iii. The Contractor must provide the Department with detailed policy and procedures outlining the Contractor's skip-tracing tools, techniques, and methodology used to ensure all collection avenues have been exhausted before recommending that an account is uncollectible.

    See skip-tracing procedures in Exhibit 15. Updates to skip-tracing procedures will be provided and enhanced as new contact resources and/or techniques become available.

    iv. The Contractor must reimburse the State for the actual United States Postal Service cost of processing returned mail on accounts assigned.

    To ensure mail is being sent to the most appropriate address for the taxpayer/debtor, Contractor will engage the use of address enhancement and validation services, including the National Change of Address service provided by the Postal Service. These services will be provided at no additional charge to the State.

3) **Facilities Requirements**

a) All collection services performed by the Contractor must be performed from a location within a 20 mile radius of the State Capitol in Lansing, Michigan.

Contractor's local office in Lansing, Michigan is located at:

        5015 S. Cedar St., Ste 260, Lansing, MI 48910.

b) The location must have a dedicated link to the State's Lansing Metropolitan Area Network (LMAN) (see section 1.022.3.l, 1.022.9.g and Exhibit E for LMAN information). The LMAN is a large collection of computers, printers, and servers electronically interconnected to each other for the purpose of sharing information between State offices in the Lansing area.

    i. An overall detailed architectural diagram including detailed graphics displaying the listed hardware and its relative placement in the architecture is in Appendix 1 (latest MARCS Technical Architecture). Communication channels between hardware units, identifying things like encryption where appropriate are marked.

c) The location must be dedicated solely to the collection of delinquent Michigan taxes and Michigan State agency debts associated with this Contract.

The programs managed within this office that are specific to debt authorized to be managed by Contractor for other State agencies are handled in a dedicated, secure environment.

d) The Contractor must ensure the facility meets all security requirements outlined in this Contract, including being equipped with security measures to ensure secured access by employees. Physical security requirements are further discussed in section 1.022.9.k, Exhibit A and Exhibit C.

Contractor meets all security requirements and is committed to continue researching enhancements in security systems, such as biometrics.
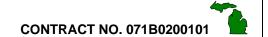
e) The facility must not have any visible signs as to their function or association with the State for reasons related to security.

f) The Contractor is responsible for all costs associated with the acquisition of space, furnishings, office equipment, security requirements and non-Systems Team staffing. Additional costs should be anticipated for electricity, janitorial services, parking, etc. if needed, and will be the sole responsibility of the Contractor.

g) The Contractor must provide the following:

   i. Adequate space on-site for 10 State employees to perform oversight and liaison functions.

   ii. Access for State employees to at least one conference room to accommodate at least 20 meeting attendants.

Contractor has identified 1,500 adjacent square feet to the existing office location in Lansing, MI, that Contractor will lease and renovate to accommodate the required 10 on-site employees and conference room. Costs associated with the construction of this adjacent office space will be absorbed by Contractor to include tenant improvements, furniture, wiring and telecommunications equipment. All future costs related to associated taxes, recurring telecommunications expense, and security upgrades will also be absorbed by Contractor, thus making the office space cost-neutral to the State.

h) Description of the Data Center, Including Geographic Location and All Relevant Environmental Factors Such as Power, HVAC, Floor Space, Proposed Layout, User Accessibility, Network Configuration and Level of Redundancy

The Data Center is located at 5015 S. Cedar Street Lansing Michigan Suite 260. Access to the Data Center is through a secured ADT proximity card reader controlled door. There is limited card access to the computer room. The Data Center has approximately 1500 square feet of area with a raised floor. HVAC consists of 2 Liebert System 3 air handlers. The Data Center and Operations office will contain a fire suppression system. Maximum power is 600 amps of which one-third is currently used. Redundancy is built into the servers through multiple CPUs, dual power supplies, RAID technology, and hot swappable disk. A current layout is in Appendix 2 (Proposed Computer Room Layout). In addition, Contractor also has a comprehensive and proven disaster recovery plan to allow us to immediately respond to any type of emergency or catastrophic event.

i) Requirement Deleted.

j) Data Center Capabilities That Include the Following:

   i. Dedicated and/or Shared Servers
   ii. Platforms Supported
   iii. Available Software Offerings
   iv. Available Storage Space
   v. Reliability and Performance Boosting Efforts (e.g., Caching, Mirroring, and Load Balancing)
   vi. Range of Services Available (Including Application Management, System Integration, Benchmarking, High-Availability Configurations and Disaster Recovery).

All servers are dedicated and solely used for this project. This includes network servers, production and development database and application servers, print servers, web servers, storage servers and communication servers.

- Database and application servers: Sybase running on an HP-UX server
- Print servers: Novell Distributed Print Services (NDPS) handles the day to day desktop print requirements (gets the print request from the desktop to the network printer)
- Network servers: Windows Server 2003
- Web servers: Windows Server 2003
- Communication servers (Telephony - CTI is a NT server which is planned to be replaced with a new phone switch)
- Storage servers: Windows Server 2003.
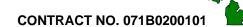
Development and network platforms share storage on an HP EVA4000 with over 6TB available storage. Development server also has access to a HP VA 7110 storage array. Storage solutions and servers are fault tolerant with redundant power, various RAID disk configurations, and hot-swappable components.

3) **Equipment and MARCS Software Requirements**

a) At a minimum, the Contractor must provide and maintain at its expense the following equipment:

   i. All furnishing and office equipment for Contractor staff.
   ii. Furnishings and office equipment for 10 State employees to perform oversight and liaison functions (see section 1.022.2.g). Office equipment must include, but is not limited to, personal computers, phones, copiers, printers, and fax machines.
   iii. Printers, to include a high volume printer.
   iv. Predictive Dialer capable of multiple calling campaigns, recording and producing reports for statistical reporting and audit trails.
   v. Quality assurance equipment capable of monitoring screen movements while listening to and recording phone calls for Contractor staff (see Exhibit A, section 8.10).
   vi. Quality assurance monitoring equipment for up to four State employees to listen to telephone calls and view accounts of staff working in MARCS (see Exhibit A, section 8.10).
   vii. Hardware and software requirements for the operation and maintenance of a bankruptcy claims and processing management system, such as BCP as described in Exhibit A, section 8.11.

b) The Contractor must establish, operate and maintain MARCS as described in Exhibit A and section 1.022.3 of this Contract.

c) Contractor must provide the software in Exhibit A.

d) The Contractor will work closely in association with MDIT and Collection Division staff to establish, operate, and maintain MARCS.

e) The State must retain ownership of the MARCS software (see section 2.260). The State reimburses the current Contractor for providing and maintaining the MARCS hardware and software as described in Exhibits A and G.

The State must have the right to copy, manufacture, display and create derivative works for the sole purpose of the State. All products produced as a result of the execution and completion of the terms of the Contract are the sole property of the State. All property rights, including publication rights, in the interim draft and final reports, programs, and documentation, including machine-readable media, and other work products produced in connection with the work provided under the Contract belong to the State.

It is contemplated that during the course of the Contract the Contractor will write code that modifies the functionality of the Baseline Software consistent with the required functionalities not otherwise provided in the Baseline Software. Such customization and modifications will be performed at the request of the State, and sold to the State as part of System Modifications price (see Attachment A). In view of the modifications contemplated, the resulting software must belong to the State.

There must be no prohibition from use by the State of more than one copy of the customized package software, whether on one or more computers. The State is not obligated to the payment of any ongoing license fees following full acceptance of the system.

Subcontractor (CGI) will retain all ownership rights in and to any CGI intellectual property incorporated into a deliverable, or any CGI intellectual property separately licensed to the State. CGI will not be prohibited from using ideas, concepts, expressions, know-how, skills and experience possessed by it prior to, or developed or learned by it in the course of, performance under the Contract.

f) The State will reimburse the Contractor for all MARCS system, network infrastructure and information technology related costs (e.g., software license fees, servers, Systems Team staff and computers for Systems Team staff). (See section 1.031.2 for additional information on Systems Team.)

 i. The State will not reimburse the Contractor for non-Systems Team staff computers, software, etc. (e.g., collection services call center staff).

 ii. The Contractor must upgrade the equipment and software in Exhibit G during the first Contract year. Equipment and software must be equivalent or better than the current system to meet Performance Metrics (section 1.022.6) and Service Levels (section 1.022.3.j) identified in this Contract.
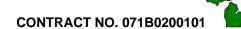
 Contractor makes the following recommendations for upgrading current equipment in order to best position the State for the future (also see Attachment A):

- Replace the existing HP-RP7410 8-processor PA-RISC production server with an HP-RX4640, two-way, dual core Itanium server
- Replace the existing HP-RP5470 4-processor PA-RISC development server with an HP RX4640, two-way, dual core Itanium server
- Replace the HP-D230 Strata server with a Sun Fire V240 dual processor enterprise server
- Replace Sybase 11 with Oracle 10g
- Replace Micro Focus COBOL OCDS with Micro Focus COBOL Server Express
- Replace PowerBuilder 9.01 with PowerBuilder 11
- Add a LSI SAN for Production only use
- Replace existing production network servers (4) – (3) Dell PowerEdge 2650 Servers will be replaced with (3) Dell PowerEdge 2950 III Servers and (1) Dell PowerEdge 1850 Server will be replaced with (1) Dell PowerEdge 1950 III server
- Replace existing PowerEdge 600SC Server with a Dell PowerEdge 1950 III server
- Replace existing PowerEdge 400SC Server with a Dell PowerEdge 1950 III server
- Replace all Cisco existing switches with Cisco SGE2010 switches
- Replace workstations with Dell Optiplex 755 workstations.

 Contractor continually reviews, researches, and tests new technologies to determine their potential value for inclusion into the MARCS solution.

 Replacement of existing CTI communications server will take place within the 12 months prior to the start of the Contract with no interruption of service.

g) The Contractor must not utilize MARCS for any purpose not related to the terms of this Contract (also see section 1.022.1.h). The system must not house any data that is not expressly related to this Contract.

h) During the life of this Contract, there will be necessary modifications to MARCS to include, but not limited to, promoting efficiency, enterprise-wide information technology initiatives, and/or compliance with legislative mandates. The Contractor is responsible for all modifications and specifications of the collection system, after conducting a thorough and careful design process involving State staff. The State's functional requirements must be compared to the detailed design of the software package to determine precisely the modifications and enhancements required to satisfy the State's requirements. The Collection Division will provide business expertise concerning collections operations and coordination of the process. State personnel will also perform necessary acceptance testing procedures (see section 1.050 of Contract and Exhibit A, section 8.24).

Contractor will use their proven development methodology and leverage their business expertise, and Subcontractor's (CGI) technical expertise, to provide documented steps for requirement gathering, complete functional design and approval, technical design and approval, thorough quality assurance, and user acceptance and implementation. The methodology provides extensive opportunity for involvement of the user community for design and approval.
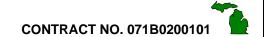
i. The Department is in-process of implementing SAP software for a new integrated tax processing and administration system for tax and revenue management. The SAP Tax & Revenue (TRM) solution will utilize the SAP Portal to provide the capability to use the Tax Agent work center, which provides tax return exception handling functionality. The Project will leverage SAP ERP (primarily the PSCD – Public Sector Collections and Disbursements functionality) as a platform and connect to many related systems and technologies used.

Research is being completed to determine the suitability of SAP or similar software replacing STAR, GAL and MARCS. It is anticipated SAP will replace STAR during the 3rd and 4th years of this Contract and will replace GAL in the 5th and 6th years of the Contract; furthermore, SAP might replace MARCS after the 5th or 6th year of the Contract.

(1) If the Department determines SAP will replace STAR, the Contractor must provide resources for conversion, modifications and interface development for interfaces identified in Exhibit B. The price for Systems Modifications will be utilized (see section 1.022.3.e and Attachment A, section 4e).

Subcontractor (CGI) has a close relationship with SAP and is a certified SAP Alliance Partner. Through their practice, Subcontractor employs over 800 employees, 70% of which are SAP certified.

(2) If the Department determines SAP will replace GAL, the Contractor must provide resources for conversion, modifications and interface development for interfaces identified in Exhibit B. The price for Systems Modifications will be utilized (see section 1.022.3.e and Attachment A, section 4e).

(3) If the Department determines SAP or similar software will replace MARCS, the Contractor must provide resources for conversion, modifications and interface development for interfaces identified in Exhibit B. The price for Systems Modifications will be utilized (see section 1.022.3.e and Attachment A, section 4e). If MARCS is replaced, the overall structure of this Contract will be reviewed with the Contractor.

i) The State or its several departments is not liable for any damages suffered by the Contractor as a result of work stoppages resulting from, or not limited to, network downtime, system downtime, or interface downtime.

j) The Contractor must comply with the Service Levels identified in Exhibit D. The Collection Division will collaborate with the Contractor to revise and update the Service Levels periodically throughout the life of the Contract. (Also see section 2.242.)

k) The MDIT is required to follow the SEM that was governed by the SUITE. As a result of SEM:

i. The Contractor's methodology, project templates, stage exits and deliverables must be mapped to corresponding SUITE templates, stage exits and deliverables (also see section 1.022.3.h).

Contractor's methodology that has been endorsed by Treasury personnel is in Appendix 3 (SEM Methodology Mapping) along with the methodology mapping and a comparison. If Collection Division personnel require methodology mapping to comply with the SEM that was governed by the SUITE, Contractor will comply with request.

ii. An Enterprise Solution Assessment is required when changes occur to connectivity with the State at the Contractor's boundaries.

l) Facility/Data Center

i. Contractor's Underlying Transport Network (or Networks) to be Employed in Enabling the Solution [Includes Size of Network, Transport Protocol Employed, Security Scheme for the Network, General Network Topology (Including Internet Connectivity, Etc.)]

The network is designed to service over 300 leaf nodes, including servers, printers, and workstations over TCP/IP. Network security and Internet is provided by the State. A Network Connectivity Diagram is in Appendix 4.

ii. <u>Support That Is Available for SSL Security and Database Connections</u>

SSL is not applicable to MARCS, because there is no Internet access to the database. Contractor will provide any support necessary.

iii. <u>Staffing Number and Expertise, Strategy for New Staff Hiring and Staff Retention Programs</u>

For new staff hiring, Contractor identifies the skill sets required and posts the position internally. Contractor is a strong proponent of promotion from within policies. If the position cannot be filled internally, Contractor utilizes IT-centric job websites, as well as broad-based media such job ads, etc.

Contractor supports continuing education, advanced certifications, and recertification to assist with and promote staff retention efforts. Contractor also offers reward programs for its employees to reward and recognize consistent performance.

Contractor is also a proponent of providing formal feedback and evaluations. Contractor's management staff provide yearly performance reviews, and compares pay rates to market indicators. Provided in Appendix 10 are Organizational Charts (Project and IT), which detail Contractor's current staffing levels.

iv. <u>Contractor's Recommendation of a Development and Test Environment</u>

Contractor recommends a separate production environment from test/quality assurance (QA) and development. Contractor will utilize multiple environments for development and QA. At least two development environments will be used to facilitate simultaneous development on multiple projects. At least four QA environments will be used to facilitate QA efforts on multiple, simultaneous projects. In addition to these smaller environments, at least three production-sized environments will be used to allow for full-scale production testing without affecting the actual production environment. These environments will be used to validate new code with production sized database tables, and to perform timing tests on new code.

v. <u>Source Code Management</u>

Source code will be managed by a traditional check-in/check-out process using PVCS source code manager from Serena. All code is checked out to an individual developer for modification. Once the code is modified and unit tested, the code will be returned and checked-in by a PVCS administrator. Any new SQL code included in the modification will be examined and optimized by the database administrator prior to check-in.

vi. <u>Load Testing Services to Validate Architecture Based on State Requirements</u>

Any changes are tested in a production-like environment on like hardware and in a duplicate of the production database.

vii. <u>Back-Up Schedules for All System Components</u>

Network backups are performed daily (incremental), weekly (full), and monthly (full). Unix backups are performed daily (full to disk and tape), weekly (full) and monthly (full).

viii. <u>Software Updates for All Components</u>

System administrators will monitor vendor software offerings for updates and patches. When appropriate updates become available, and are deemed important for system operation, the patches will be obtained and applied in a non-production environment. That system will be operated for at least a week to ensure that there is no negative impact on system performance. Once the update is validated, it will be applied to the production environment.

All system changes will be documented and presented at a weekly operations meeting. Any training required by system changes will be coordinated by the training department.

ix. System Monitoring and Maintenance

When possible, automated system monitoring and notification will be used. Notifications in the form of e-mail and text messaging will alert system administrators, IT management, and support vendors. If a support issue arises, technical resources will diagnose and respond. In addition to support events, regular performance metrics will be gathered to monitor system functions like response time, system utilization, available disk space and so forth. These items will be monitored through a series of monthly tracking reports and weekly operations updates.

4) Processing of Payments

a) All payments on accounts must be directed to and processed by the State or its designated representative banking institution. The Contractor must not receive or handle payments.

Any payments secured over the phone are directed to Receipts Processing Division for handling.

b) Payments sent by mail: The Contractor must direct debtors to mail any payments to a post office box as designated by the Department.

c) ACH Payments: The Contractor shall process all electronic payments as described in section 1.022.4 and Exhibit A, sections 8.3.6 and 8.21.

d) The Contractor is responsible for any costs associated with electronic payments (i.e. ACH processing and file transfer costs).

Contractor will absorb those costs as any new technology the market may present is considered.

i. All processes related to ACH processing must be in compliance with the NACHA Operating Rules, applicable State legislation, Federal Regulation E, and any other provisions of U.S. law and must remain in compliance.

ii. The Contractor is responsible for MARCS upgrades to ensure the system complies with changes to NACHA Rules and Regulations, Federal Regulation E, and any other applicable law or rule/regulation change.

iii. The system must be in compliance by the time the change takes effect.

Contractor will present the regulation change to the State. The project is prioritized to ensure that any changes are made before the law takes effect. Progress reports are provided to the State so as to guarantee a smooth transition, strong communication.

iv. The Contractor must provide written documentation to the CCI or designee describing any changes made to the system to maintain compliance within seven days of completing the change.

The CCI or designee is involved in the system design meetings and approves Functional Design documents for all system changes prior to system changes being moved to production. All documentation is maintained in a secure environment as well as in an encrypted remote location for redundancy purposes. In the event of a catastrophic event in the local Lansing/Michigan area, the data concerning all changes/enhancements to maintain compliance will be preserved.

v. The system changes will be tested by the Contractor, along with State user acceptance testing.

Contractor's methodology provides quality assurance and user acceptance testing. Results of the testing are approved by both the Contractor and the State's designee, or the Collection Division representatives.

vi.   An annual ACH compliance audit must be performed to ensure compliance with NACHA Rules. The Contractor will be responsible for the performance and cost of the ACH compliance audit.

vii. The State has taken on an initiative to centralize the electronic receipt of credit card and ACH transactions for all State agencies. This initiative is known as CEPAS (see Exhibit I). Currently, this system is not being utilized by the Collection Division. In the event the Collection Division implements CEPAS, the Collection Division would provide at least 90 days notice to the Contractor.

The Contractor must implement any changes necessary to facilitate the transition to CEPAS within a mutually agreed upon time period.

e) Western Union Postal Money Orders: The Contractor must process all Western Union Postal orders as described in Exhibit A, section 8.14. The Contractor is responsible for any costs associated with Western Union Postal Money Orders.

At the request of the taxpayer/debtor, Contractor will coordinate the use of Western Union Quick Collect. Contractor will facilitate the generation of an electronic transaction to a modem that is attached to a dot matrix printer, where certified checks are printed for daily processing. The cost of this service to include paper check stock, printer ink and general maintenance will be Contractor's responsibility.   Contractor will continue to cross check the daily "Daily Quick Collect Client Recap" report against the physical checks that were printed to ensure that all transactions have correctly printed and are accounted for. Any checks that are identified to have been aborted in the printing process will be immediately researched and re-created.   The checks will then be delivered via courier to the Receipts Processing Division.
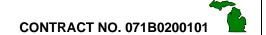
f) Direct Check Payments: The Contractor must process all Direct Check Payments as described in Exhibit A, section 8.4. The Contractor is responsible for any costs associated with Direct Check Payments.

g) The Contractor may propose to the Department any other payment methods they deem conducive to the efficient collection of debts. Implementation is subject to Collection Division approval (also see section 1.022.1.m).

Contractor will continue to research additional payment methods and present any viable options to the Collection Division. When alternative payment methods are identified, Contractor will test them in other parts of their business to de-bug the process prior to proposing a new and creative solution. Contractor will provide updates on implementation progress through to conclusion, monitor the results, and report these in monthly status meetings.

5) Training

a) Effective training for all levels of management and staff is paramount in implementing this Contract. The Collection Division reserves the right to make changes or to participate in any Contractor training sessions as the Collection Division deems necessary without prior notice.

b) The Contractor must provide a detailed Training Plan for review by the Collection Division. The training plan will include, at a minimum, the following:

i.   Overview of the Tax and State Agency Debt billing process
ii.   Overview of the MARCS system
iii. Appropriate phone etiquette
iv. Information regarding Michigan tax laws, State agency debts, and the Fair Debt Collection Practices Act
v.   Health and safety issues, ergonomics, injury prevention
vi. Confidentiality/Disclosure and security procedures
vii. Use of available MARCS support resources (for example, help desk, on-line training and on-line help screens, and user manuals)
viii. Maintain and update a CBT module as described in Exhibit A, section 8.8.

Contractor's detailed training outline is in Appendix 5 (Training – Training Agenda, Collection Excellence, Train the Trainer, Training Certifications).

c) The Contractor must provide training to all levels of the Contractor's staff to provide them with the appropriate skills and knowledge to meet the requirements of this Contract.

In addition to Collection Excellence training, as outlined in the attached document (provided in Appendix 5), Contractor provides its management staff with a training program from the front line managers to Project Managers. The program is a combination of in-house training, as well as third party sources to provide clients with the best-trained management structure in the industry.

d) The Contractor must provide training and training materials to State staff as deemed necessary by the Collection Division.
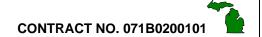
Copies are maintained at the local office level and are considered proprietary in nature. Any/all training documents created specific to this Contract will be provided to the State for review, comment, and edits where necessary. Any and all materials developed in partnership with the State will be considered State Property and provided upon request and in the desired format(s).

    i. The Contractor must provide at least two levels of training coverage, "overview" and "in depth" in order to meet the varied needs of State staff.

Contractor will customize the training program to meet the varied needs of State staff. Contractor's specialized training is unique and designed to capture the specific demands tied to the nature of the obligation. For example, Business/Corporate Tax, Personal Income Tax, Delinquent Court debt to include fines, fees, forfeitures, assessments, restitution and probation, Delinquent Child Support to include arrears, arrears with current support due, UIFSA cases, and Title IV-D social services cases, to name a few. Contractor's programs associated with the Driver Responsibility fees are managed separately from all other debt classes due to the nuances associated with the collecting these smaller average balance cases where driver's license suspensions may have been imposed. A copy of training materials can be found in Appendix 5.

e) The Contractor must implement a certification process that will assure competency for training staff. Details of the certification process are to be developed by the Contractor and will be reviewed by the Collection Division.

All Contractor training staff participate in the "Train the Trainer" program. Additionally, select trainers are chosen to facilitate the Achieve Global's trademarked Genuine Leadership program for management staff. Copies of certifications are included in Appendix 5. Contractor will work in concert with the Collection Division to ensure that all needs of the certification process are developed and met.

f) The Contractor must coordinate with the Department to ensure that all training manuals and materials, including content, examples, and exercises are consistent with State policy and professional standards.

Contractor recommends that training manuals, programs and procedures be reviewed semi-annually for content, along with detailed summaries of graduation rates at various intervals coupled with tenure and ongoing training and development.

g) The Contractor must ensure that all training examples and exercises are job related and based on realistic situations or work related scenarios.

Contractor's IT department maintains the MARCS Training database to ensure training is conducted on the most recent, job-related, and realistic scenarios. Furthermore, Contractor continuously monitors taxpayer/debtor feedback to ensure that Contractor is adhering to the quality standards set for staff. Should Contractor find in phone monitoring and/or correspondence areas requiring improvement, Contractor will immediately initiate enhanced training initiatives. These training exercises will be entirely based on real situations, work related scenarios and be specific to the debt classification and job related duties.

h) All training materials and user aids must be available for review and inspection at least two weeks in advance of each training session.

Training materials are readily available for State review and inspection whenever requested.

i)   The training development process must include formative evaluation of the training program and courses. All training courses developed or customized by the Contractor must be user tested prior to the initial official training session. The evaluation process must examine at least four levels of training evaluation:

   i.   User reactions to the training
   ii. Impact of training on user knowledge, skills, and attitudes
   iii. Ability of users to apply training in actual job performance
   iv. Impact of training on the State's operations.

Contractor's training staff monitor calls to improve the overall quality of training. Contractor's evaluation process will include the aforementioned levels of training evaluation.

Current training evaluation tools and strategies include:

User Reactions: All Contractor MARCS training programs are user tested and user reactions are documented via a trainee survey.

Exams and Training: A critical component of Contractor's programs is various exams that test the impact of the training on user knowledge, skills, and attitude.

Training Applicability: Newly-trained employees receive increased attention from Contractor's Quality Assurance Department and management staff to ensure that they are able to apply training in actual job scenarios.

Positive Impact to the State: Contractor's training programs allow collectors to operate without requiring resources from the State. This alleviates the State's need to incur additional costs to ensure training efficacy.

Feedback, test scores, quality assurance scores, etc. are evaluated to identify areas of opportunity for improvement within the training program. Modifications are made based on that evaluation.

j)   The Contractor must develop measurement and reporting tools and procedures to identify and implement the type of adjustments that will assure a successful and effective ongoing training program.

Quality assurance forms and training information are provided for review in the appendices. Contractor actively solicits debtor feedback and will coordinate with the State in monthly meetings to review taxpayer/debtor feedback. Contractor will ensure that all of the State's recommendations will be considered and incorporated, as required.

k)   All employees of the Contractor must participate in yearly confidentiality/ disclosure training as provided by the Department (see Exhibit C, Safeguard Requirements of Confidential Data).

Contractor administers annual confidentiality/disclosure training as required by the Department. Additionally, all staff review and are tested on the FDCPA and Graham/Leach/Bliley regulations every six months. Furthermore, Contractor addresses the collection floor monthly with complaint prevention rules and guidelines meetings. Contractor reviews the individual state rules and regulations during these meetings and raises awareness to any/all legislated changes on both a federal and state level that impact the collection operation.

   i.   The Contractor must maintain records regarding confidentiality / disclosure training onsite and must immediately provide the records to the Department upon request.

   All testing results are retained in a secured environment and are available to the State as legally allowed.

6) **Performance Metrics/SLAs**

The Contractor's performance will be measured by a combination of elements as described in this section and section 1.022.1. These performance metrics will be used to evaluate the ongoing efforts of the Contractor in accordance with the terms and conditions set forth herein. The Collection Division will collaborate with the Contractor to revise and update performance metrics as needed throughout the life of the Contract. Specific details of performance metrics are within this section and summarized in Exhibit F.

a) <u>Account Resolution Rate:</u> The Contractor must achieve a 30 percent minimum Account Resolution rate of the debts transferred to the Contractor. The Account Resolution rate includes reduction of accounts down to "0" as a result of payments being made or returns and other documents being submitted to reduce the account balance. The Account Resolution rate will be adjusted based on the voluntary compliance rate. The voluntary compliance rate is the percentage of accounts that are resolved without any outbound telephone contacts by the Contractor within the first 10 days of the account / assessment being assigned to the Contractor. Debts determined to be non-collectible due to the death or incarceration of the debtor or bankruptcy claim(s) being filed by the debtor subsequent to the account being assigned to the Contractor for collection will be included as part of the collection/account resolution rate with appropriate documentation.

Contractor publishes the current account resolution rates through their company-developed document management system. A sample of a performance report is provided in Appendix 6 (Performance Reporting).

   i. <u>Contractor's Historical Account Resolution Rate</u>

   The most recent report, April 2009, shows an account resolution rate of 77% in 32 months for tax debts and 66% for SAC debts over the same time frame.

   ii. <u>Contractor's Expected Account Resolution Rate under This Contract with an Inventory of Approximately 633,000 Accounts Totaling $1.8 billion</u>

   Contractor will leverage technology and training to improve on collection effectiveness. By doing so, Contractor expects account resolution rates to exceed the actual results stated above.

   iii. <u>Contractor's Historical Collection Rate</u>

   Contractor has achieved a collection rate of: 44% on Single Business Tax, 25.2% on Sales Tax, 16.4% on Use Tax, 17.5% on Withholding Tax, 37% on Driver Responsibility debts, and 38% on Individual Income Tax.

   iv. <u>Contractor's Expected Collection Rate under This Contract with an Inventory of Approximately 633,000 Accounts Totaling $1.8 Billion</u>

   Contractor will leverage technology and training to improve on collection effectiveness, by doing so, Contractor expects collection rates to exceed the actual results stated above.

b) The Contractor must attempt to contact the debtor in writing within 10 calendar days of receipt of the account (see sections 1.022.1.l and 6.c).

   "Welcome to MARCS" letters are generated within 24 hours of receipt and sent to Treasury mail operations within five days of printing to inform the debtor of the assignment of their account to Contractor's responsibility.

c) <u>Telephone and Written Contact Accessibility and Efficiency:</u> The Contractor must diligently pursue all accounts through resolution. The contact accessibility and efficiency measures listed in this section are intended to assess the ability of the Contractor to manage the collection system by efficiently routing callers to account representatives and having representatives available to resolve taxpayer inquiries.

   i. The Contractor's representatives must provide appropriate options and accurate information when assisting callers to resolve collection issues.

   All Contractor representatives receive intensive training regarding account resolution. This training allows them to provide accurate information and appropriate options when assisting callers.

   ii. Further, the Contractor must resolve issues without requiring repeated contacts by the taxpayer.

Training emphasizes single call resolution. Should multiple calls occur, they are mainly due to the taxpayer needing to gather appropriate information to resolve the account. Contractor makes every attempt to assist callers with any collection-related issues. Contractor strives to handle every call efficiently and completely on the first contact.

iii. Work Plan to Diligently Attempt to Collect the Accounts Assigned (see section 1.041.2).

A Workflow Diagram is in Appendix 7 that depicts Contractor's approach to diligently attempt to collect all accounts assigned. Contractor's approach to effectively work the State's accounts includes a tenured staff and customized approach to collections. See Appendix 10 for Organizational Charts (Project and IT).

iv. The Contractor must make at a minimum two telephone contact attempts once the account is assigned to the Contractor, if a phone contact is available.

While most accounts receive more than two telephone attempts, Contractor makes a minimum of two telephone contact attempts once an account has been assigned.   See the attached Workflow Diagram in Appendix 7 for additional details on how Contractor diligently attempts to locate and contact debtors.

v. Incoming calls must be handled immediately.

Contractor arranges assets so that incoming calls are handled as quickly and effectively as possible.

vi. If an operational situation arises that calls may not be answered, arrangements must be made for a return call within two business days.

Contractor has technology in place, so all calls are answered in a timely fashion and as required by the State. Any taxpayer message left on voicemail is returned no later than the next business day.

(1) The Contractor must resolve all such inquiries within one week or be able to document why such resolution is not feasible.

vii. Upon request of a debtor or when the Contractor identifies a situation requiring Department staff intervention, the Contractor must immediately refer the issue to the Collection Division for problem resolution.

The account in question is documented with the proper notes contemporaneously with the debtor communication and referral. Should additional follow up be requested by the Collection Division, then Contractor staff will aid in the research and assist in the problem resolution.

viii. Call Abandonment Rate: The call abandonment rate is defined as the average point in time that callers disengage a call while waiting to be connected to an account representative. The Contractor must achieve a call abandonment rate of less than 3% after any introductory recording.

Contractor periodically reviews inbound calling patterns, and adjusts staffing and scheduling to minimize call abandonment.

(1) Records must be maintained of incoming callers time in a telephone queue and hang ups.

Call statistics are tracked, reported, and historical records are maintained.

ix. Average Speed of Answer: The average speed of answer is defined as the average time required to connect a caller to an IVR system. The Contractor must maintain an average speed of answer rate of less than five seconds.

x. Time Service Factor: The time service factor is defined as the percentage of incoming calls answered within a specific time frame by an account representative. The Contractor must answer at least 85% of calls within 20 seconds after the telephone call has been routed from the IVR to an account representative.

xi. Time in Hold Queue: The time in hold queue rate is defined as the average time all incoming/outbound callers are placed on hold during a call, after being connected to an account representative. The time in hold queue rate will be mutually determined between the Contractor and the Department.

(1) Contractor's Suggested Time in Hold Queue Rate

The average handle time of a taxpayer contact is in excess of eight minutes. While Contractor's goal is to have zero hold time, certain calls will require some hold time for the representative to research the issue and provide accurate information. When this occurs, Contractor anticipates that the hold time will not be longer than one minute.

xii. First Contact Resolution Rate: The first contact resolution rate is defined as the percentage of inbound calls or correspondence that can be resolved without the use of Contractor or taxpayer call backs or requests for additional correspondence to resolve an issue within 30 days of the initial contact. The Contractor must achieve a first contact resolution rate of at least 30%.

xiii. Account Accuracy Processing Rate: The account accuracy processing rate is defined as the percentage of accounts assigned to the Contractor that are handled through appropriate collection processes. The Contractor must achieve an account accuracy processing rate of at least 90%. The rate is mutually calculated and measured by both the Contractor and the Collection Division.

xiv. Average Talk Time of Outgoing Calls: The average talk time of outgoing calls is defined as the average percentage of time spent on outbound calls per account representative. The average talk time of outgoing calls rate will be mutually determined between the Contractor and the Collection Division.

Contractor designates personnel to specifically handle inbound calls and personnel to specifically handle outgoing calls.

The rate by specialization is: 5% for inbound calls and 95% for outbound calls.

d) Priority Document Processing: Priority document processing is defined as the processing of accounts (documents) in designated priority work lists. The Contractor must process 100% of documents designated priority by the Collection Division within one business day of the date that the document is received.

e) Imaging and Correspondence Processing Rate: The imaging/correspondence processing rate is defined as the requirement to image documents in designated work lists to MARCS accounts within a specified period of time, beginning with the date that the correspondence/document enters the designated MARCS work list. The Contractor must process (image) at least 100% of correspondence within one business day.

f) Bankruptcy Petition Rate: The bankruptcy petition rate is defined as the removal of assessments/accounts from active collections. The Contractor must remove 100% of assessments/accounts from active collections within one business day of notification of the bankruptcy petition filing under the Federal Bankruptcy Act.

g) Bankruptcy Claim Processing Rate: The bankruptcy claim processing rate is defined as the processing of the original bankruptcy claims within a specified period of time. The processing period will begin from the date of petition. The Contractor must file 99.9% of original bankruptcy claims within the government bar date.

Contractor will process all bankruptcy claims within the government bar date.

h) Bankruptcy Account Processing Rate: The bankruptcy account processing rate is defined as the maximum backlog date allowable for designated bankruptcy account work lists. The Contractor must review and process at least 90% of bankruptcy accounts within one business day of the date that the account enters the work list.

i) Lien Record Processing: The lien record processing rate is defined as the timeframe that liber and page information on recorded liens returned from the counties is entered on the MARCS system. The Contractor must enter liber and page information on MARCS within 10 calendar days of the lien information being submitted to the Contractor from the Collection Division.

j) Lien Processors/Liens Available: The lien processors/liens available rate is defined as the percentage of tax accounts / assessments assigned to the Contractor that are reviewed for potential lien filings. The Contractor must review at least 95% of tax assessments / accounts eligible for lien filings within 90 days of the assessment / accounts being assigned to the Contractor.

Work lists are managed to prioritize accounts that qualify for a tax lien. Management follows up to ensure that all contractual obligations are met on a daily basis.

7) Quality Assurance

a) The State reserves the right to correct, modify, or adjust any action the Contractor may take on an account.

b) Multiple tiers/steps of quality assurance must be implemented to achieve a successful result. In addition to internal and possible external quality assurance reviews conducted by or for the Collection Division, the Contractor must provide its own quality assurance program.

Quality management programs or certifications the Contractor has implemented in their organization follow:

Contractor provides Quality First, a proven, award-winning approach for establishing and maintaining the highest level of quality service.
At Contractor, "good enough" is never good enough. Contractor's Quality First motto is, "Every day, in everything we do, Quality First." It sets the expectation for how Contractor must approach their work, their clients, and their fellow employees. Quality First and Contractor's management culture "raise the bar" by demanding that employees continually seek out ways to improve their performance. Contractor provides ongoing training, performance evaluations, and numerous incentives to ensure that employee performance exceeds Contractor's clients' minimum standards.

The Quality First culture extends to all departments within Contractor. It sets higher-than-average goals for performance quality, and it gives Contractor's employees the skills and encouragement they need to consistently achieve them. Contractor's methodologies for ensuring customer satisfaction and service excellence— whether it is from the perspective of customer, client, or employee — are all based on this Quality First Philosophy.

The Contractor's Lansing office augmented the Quality First program with Quality, Effective, Execution, Every Time (QE3) program to recognize high quality work and encourage staff to seek constant improvement. A dedicated QA staff is in place to provide feedback and discover areas of opportunity that can be addressed by management and the training staff.
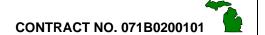
The QE3 Program is a component used in the Lansing operation that augments Contractor's successful *Quality First*™ program, by recognizing individual high quality performance. Employees who provide exceptional quality performance are recognized on a monthly basis in front their peers during an office-wide meeting.

Specific to the State program, Contractor's front-line managers complete a call monitor on every collector every week in addition to a full account management review. Contractor has quality assurance staff that completes a monitor on every employee every month, independent of the supervisors review.

Contractor also holds joint monitoring sessions with State personnel to calibrate results. Contractor has monthly Complaint Prevention meetings with topics supplied by their Law Department staff in Houston. Contractor also holds daily quality meetings in Lansing to address any recent trends the supervisors and quality staff have observed. Calls are recorded and reviewed with collectors by their supervisor and a member of the QA unit to better instruct the collector on areas of improvement, as well as reinforce areas identified as exceptional performance.

c) The Contractor must periodically calibrate quality assurance measures with the Collection Division to ensure consistency and uniformity.
Contractor will work in partnership with the Collection Division to monitor calls and recalibrates quality assurance measures to ensure consistency and uniformity.

d) The Contractor must cooperate fully and comply with any and all quality assurance procedures implemented by the Collection Division.

e) The Contractor must provide unrestricted access to all policies, procedures, training materials, work products, reports, and staff as needed to fulfill the quality assurance process and account investigations.

f) The Contractor must allow a Collection Division employee(s) to monitor the activities of the Contractor's employees to ensure adherence with the terms and conditions of this Contract. Activities to be monitored include, but are not limited to, the following:

   i. The telephone conversations of the Contractor's employees will be monitored and evaluated to ensure quality service and customer satisfaction and to maintain a performance benchmark in order to gauge future performance.
   ii. The work plans, project management reports, test results, documentation, and other work products.
   iii. Any training materials used and training sessions
   iv. Any correspondence templates of standard letters
   v. Procedures, policies, training materials and other reference materials available to staff.

g) The Contractor must hold joint monitoring sessions with the Collection Division to evaluate and calibrate the quality and compliance with the Quality Assurance program. The Collection Division will collaborate with the Contractor to determine the necessary frequency of the joint monitoring sessions.

h) <u>Methods and Techniques of Planned Quality Assurance Efforts, and Recommendations for the Collection Division on How to Ensure the Desired Result</u>

   The Quality First program instills a quality-driven approach to daily tasks. Contractor's management team and quality assurance group reviews and gives feedback on quality. Contractor meets regularly to establish goals for quality improvement and monitor representatives. See Appendix 8 for examples of GC Contractor's quality forms. (<u>Example 1</u>, <u>Example 2</u>, <u>Example 3</u>, <u>Example 4</u>, <u>Example 5</u>, <u>Example 6</u>)
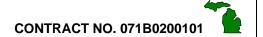
8) <u>Reports</u>

The Contractor must provide the Department with reports and documentation relative to the activities associated with this Contract.

a) The Collection Division will collaborate with the Contractor to develop, revise and update reporting requirements as needed throughout the life of the Contract.

b) The Contractor must make all reports viewable online, downloadable and printable.

   The Contractor-designed Document Management System provides this functionality. Security controls are in place to restrict access to reports based on management approval.

c) Contractor must make all reports available in multiple formats, to include PDF, Microsoft Word, Excel, Access, and other formats as deemed necessary by the Collection Division.

   The Document Management System provides this functionality. At the time reports are created/defined, the format in which the reports are made available is defined. Reports are made available in multiple formats, based on the needs of the requestor. Report formats can be changed as the need arises.

d) <u>Monthly/Quarterly Reports:</u> The Contractor must provide aggregated monthly, Quarterly-To-Date, and Year-To-Date summary data to the Collection Division as follows:

   i. Summary of the number and value of account placements during that period of time, collections against those placements, returns/closing of those placements, and the remaining inventory being pursued.

   ii. The report must describe the collection commission fees charge.

iii. Reports to the Collection Division must be summarized by type of receivable, age of receivable, and accrued balance outstanding.

iv. Monthly/Quarterly reports must be provided to the Collection Division no later than the 10th day of the month following the month being reported.

Inventory reports are available on the Document Management System. Monthly and quarterly reports are available the second business day of the following month.

e) <u>Management Reports</u>: The Contractor must provide other management reports as specified by the Department, such as reports summarizing account resolution, Performance Metrics (see section 1.022.6 and Exhibit F), aging of accounts, and quality assurance reports listing all cases and/or accounts accessed by each user and the actions taken.

When requested by the Department, the Contractor must provide reports summarizing account resolution, account aging, and user activity on accounts showing time accessed and any actions taken. Performance metric reports are available via the Document Management System.

f) <u>Ad Hoc Reports</u>: The Department may request ad-hoc reports from the Contractor as deemed necessary regarding the Contractor's collection activities associated with this Contract.

The Contractor must have trained personnel available to provide any ad-hoc report requested by the Department to facilitate immediate insight into the collection activities associated with the Contract.

g) The Contractor must provide unrestricted online access to all policies, procedures, training materials, work products and management reports, along with any other information accessible by Contractor staff.

9) **Security and Confidentiality/Disclosure Requirements (Also see section 2.100, Exhibit C and Exhibit D, Section 8)**

a) The Contractor must uphold all of the requirements for handling, storage, and processing of confidential/disclosure tax information as set forth in this Contract (including Exhibits A and C).

Non-public personal information is considered confidential. This data is never shared beyond the project. Data within Contractor's network as well as stored data is protected at multiple levels. This includes access restrictions to limit external access to defined personnel.

b) The Contractor must not use, share or disclose any of the data obtained during the course of this Contract for any other purpose not related to this Contract.

c) The Contractor must comply with State and Federal statutory and regulatory requirements, and rules; NIST publications; COBIT; all other industry specific standards; national security best practices and all requirements herein.

Contractor's security framework is modeled after ISO 27002 and Contractor follows practices outlined in NIST 800-12. Contractor is compliant under the Payment Card Industry Data Security Standard (PCI-DSS) and Contractor is audited annually under that standard, as well as under SAS 70 Type II.

d) Governing Security Standards and Publications

Contractor must comply with the following standards and publications:

i National Standards: An introduction to Computer Security", National Institute of Standards and Technology, Computer Resource Security Center (see http://csrc.nist.gov/publications/nistpubs/800-12/handbook.pdf)

ii. Michigan Social Security Number Privacy Act 454 of 2004. A copy of the Act can be obtained on the Michigan Legislature website at <u>www.michiganlegislature.org</u> .

iii. Michigan Identity Theft Protection Act (2004 PA 452, as amended by 2006 PA 566). A copy of the Act can be obtained on the Michigan Legislature website at www.michiganlegislature.org.

e) Requirement Deleted.

f) Security Risk Assessment

    i.   The Contractor must conduct assessments of risks and identify the damage that could result from unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of Treasury. Security controls must be implemented based on the potential risks. Reassessments must occur annually or whenever there are significant modifications to the information system and that risk assessment information is updated.

    ii. As a result of the SEM that was governed by the SUITE, a DIT-0170, *Information Technology Project Security Plan & Assessment* is required. It is a collaborated effort between MDIT, Treasury's Security Division (Treasury Security), and the Contractor to complete the DIT-0170. The DIT-0170 provides an overview of the security requirements for the system and a description of the security controls in place or planned for meeting those requirements. Completion of the DIT-0170, remedies of any identified issues, and approval, are required prior to implementation. This is a living document and must be reviewed when any system/organizational changes occur and new security control requirements are implemented (e.g., laws, policies, etc.); otherwise, it should be reviewed annually. The DIT-0170 may need to be revised to address system/organizational changes or problems identified during implementation or security control assessments.

g) Network Security

The Contractor is responsible for the security of and access to Treasury data, consistent with legislative or administrative restrictions. Unsecured operating practices, which expose other connected networks to malicious security violations, are not acceptable. The Contractor must coordinate with MDIT to enter the proper pointers into the State infrastructure.

h) Access Control (Also See Exhibit A, Sections 2.8 and 8.15)

The Contractor must limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems) and to the types of transactions and functions that authorized users are permitted to exercise. Access must be immediately removed when a staff member changes job duties or leaves employment.

Contractor maintains an extensive User Provision process, with access controls based on job role and management request and approval. This process is mandated by senior management and coordinated daily through a project security administrator who validates all requests for access and establishes that access within the system. Contractor has policies in place to restrict user access in both the MARCS software application and the network file system.

i) Data Security

The Contractor must protect the confidentiality, integrity, and availability of State data that is generated, accessed, modified, transmitted, stored, disposed, or used by the system, irrespective of the medium on which the data resides and regardless of format (such as electronic, paper or other physical form).

The Contractor must:

    i.   process the personal data in accordance with the personal data protection laws of the State and the United States.

By corporate policy, Contractor is committed to the processing of personal data based on its privacy and security guidelines. These guidelines are strictly enforced through focused employee security training and through ongoing user access management. Contractor follows relevant security practices regarding privacy and maintains compliance under both Graham Leach-Bliley and HIPAA national legislation for privacy and personal information protection.

ii. Have in place appropriate technical and organizational internal and security controls to protect the personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, and which provide a level of security appropriate to the risk represented by the processing and the nature of the data to be protected. Technical and organizational security controls must be implemented that are appropriate to the risks, such as against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, presented by the processing.

Contractor has instituted formal written company-wide policies and programs to promote a strong control environment. The primary elements of Contractor's internal control environment are:

    Defined Standard Operating Procedures (SOP)
    Human resource management policies and procedures
    Information Technology safeguards
    Management oversight.

One key to Contractor's commitment to data protection is a layered-controls scheme including the following detailed controls.

    Security and Privacy Controls – Data Security Policy, Confidentiality Rules
    Ongoing Risk Analysis – Annual review of potential threats
    Ongoing Vulnerability Analysis – Annual review of potential threats
    Security & Privacy Policies – Annual Review by Security Steering Committee
    Electronic Access Termination and Logon ID Management Process
    Intrusion Prevention Process – Proactive risk mitigation process at all sites
    Incident Management Process – Heat and Incident reporting processes
    Application Development Methodology – XP system development methods
    Formal Data Backup and Offsite Storage – SAN and tape backup media
    Physical Location Security - Proximity Access Card system and Camera monitoring system
    Controlled after hours location alarm monitoring.

iii. Provide secure and acceptable methods of transmitting personal, confidential or sensitive information over telecommunication devices such as data encryption (128 bit minimum), Secure Socket Layer (SSL), dedicated leased line or Virtual Private Network (VPN).

Contractor's transmission methods incorporate SSL and VPN technology with a minimum of 256 bit encryption.

iv. Supply Treasury Security with information associated with security audits performed in the last three years.

In addition to participation in the annual RCAM process, Contractor conducts security reviews every two years to assess the currency of security controls in place and to validate the ongoing security awareness training activities.

v. Have in place procedures so that any third party it authorizes to have access to the personal data, including processors, will respect and maintain the confidentiality, integrity, and availability of the data.

Subcontractor (CGI), is housed on-site with Contractor's technical staff. Subcontractor personnel follow the same requirements for access as Contractor personnel and are governed by the same security and privacy procedures and reviews as company employees.

vi. Process the personal, confidential and sensitive data only for purposes described in the Contract.

The Contractor's security delivery process, as coordinated by the project security administrator, serves to properly validate all requests for access and to provide that access consistent with the job requirements of the person with such access. The ongoing security review and security awareness training is to ensure that client data is only used by properly approved personnel and only used for the purpose intended and described/required in the Contract.

    vii. The contact point within Contractor's organization authorized to respond to inquiries concerning processing of the personal, confidential or sensitive data is Contractor's Contract Manager, Bob Nieman, and will cooperate in good faith with Treasury.

j) <u>Encryption</u>

    i. The Contractor must ensure encryption of taxpayer information stored on devices including, but not limited to, laptops, workstations, and portable memory media.

    Contractor will work with the State Treasury department to assign encryption protection in the areas Treasury identifies. Contractor's policy is that Treasury data is only maintained on database servers or network servers housed in the data center.

    ii. Additional requirements may be necessary to implement revised data encryption standards. Treasury will define these requirements, as needed, and the Contractor will be involved in planning and implementing any necessary changes based on these requirements. Once implemented, any revised data encryption standards will automatically be included in the scope of the Service Level Agreement (see Exhibit D).

    Contractor will work with the State to ensure that any revised data encryption standards are in place.

    iii. <u>Fraud Controls</u>: All necessary security to guard against fraudulent access, fraudulent creation, and fraudulent receipt of the State's files or items on files must be included in the processing.

    Contractor employs a defense in depth security philosophy and model for protection of data. Contractor assigns security privileges at multiple layers of their infrastructure. Beginning at the State firewall and moving through the network layer Contractor uses access control lists to authorize users. At the file and directory layer, additional access lists dictate permissions by user. Finally, each user is assigned a unique login and password in the system which determines what data they can access. Contractor's security program is modeled after both the ISO 17799 and COBIT security standards.

    Contractor will utilize the latest work methods and environment management tools and practices to deploy security for this engagement. Requests will be received and processed using an internal electronic Access Request system. Contractor will establish access based on authorized requests and establish access using the standard security principles of "need to know."

    All system users will be assigned a unique ID and password. They will be restricted via file level and role based security to the data they are authorized to see. All access will be documented and requested through the user's manager.

k) <u>Physical Security</u>

The Contractor must provide the physical security controls necessary to ensure controlled access to State data. Physical access controls for all Contractor facilities, equipment, and applicable systems must be addressed.

    i. The Contractor must provide controls that result in reasonable assurance that physical access to the facility is appropriately restricted and environmental controls are in place to limit loss or damage to systems and data. Examples include but are not limited to:

        (1) keys are controlled
        (2) perimeter doors leading into facility space are equipped with electronic intrusion detection system equipment
        (3) floor to ceiling separation barriers (e.g. walls or fencing)
        (4) fire suppression equipment installed.

Note: Physical security exists by restricting access to the facility to authorized personnel only. This is achieved by assigning card key access (currently ADT Security Services) to authorized personnel, which includes allowable hours of entry (see Exhibit G, section 7.8). The physical security system is connected to a monitoring service to ensure security during periods in which the facility is closed or unoccupied. All authorized employees wear security badges and a visitor log is maintained for non-employee visits.

ii. Visitors to the facility must sign in, have proper identification, and an authorized purpose for the visit. Visitors shall sign a Treasury "Vendor, Contractor, Subcontractor Confidentiality Agreement" that will be forwarded to the Contract Compliance Inspector (see Exhibit C, Attachment A). Former Contractor, subcontractors, temporary employees and visitors will not be permitted in the facility, unless for an appropriate reason related to Treasury's collection services.

A visitor log and sign in process is in place. Visitors are escorted while on the premises.

iii. Security cameras must be used in processing areas with images recorded.

(1) Recorded media will be stored for at least two years and available to the CCI, if necessary.

iv. Conduct a site security survey of the location annually, which will include the review of appropriate surveillance-security camera placement and video playback equipment for examination of surveillance-security camera media.

v. Security precautions for the handling of mail must at a minimum meet the U.S. Postmaster's guidelines as described at the U.S. Postal website www.usps.com. These guidelines can be located by doing a search on the website for Suspicious Mail, specifically POS 84 and Publication 166 for Mail Center Security Guidelines.

Mail room employees go through an orientation to process internal and external mail and the mail room is secured from access to ensure only trained personnel work within this process.

l) Personnel

i. At a minimum, security measures comparable to those in sections 1.022.9 must be implemented. These measures need to be implemented before collections begin. The Contractor must ensure adequate planning is in place with regard to permanent and temporary employees (if applicable) to ensure the hiring process occurs early enough to obtain the criminal history check and drug test results prior to hiring. In addition, temporary staff sometimes need to be replaced or more added throughout the peak processing cycle. Adequate planning is critical in order to maintain proper staffing levels.

Contractor maintains and executes a comprehensive employee hiring (for both permanent and temporary employees) and management policy that includes detail background, credit, and employment history checks. Additionally, a hiring and termination process is maintained electronically and coordinated with Contractor's Corporate Security so that employee credentialing can occur quickly, and removal of physical and logical access can also be quickly handled.

ii. The Contractor must have proposed permanent and temporary staff complete a Form 63 Authorization to Conduct Criminal History and Reference Checks or similar form, and forward to the Collection Division. The Collection Division will pay for criminal history check completion. Any other background checks will be borne by Contractor.

iii. The State must have access to the Contractor's background check data.

iv. All prospective employees must be tested for illegal drugs and must not be hired unless negative test results have been received. Illegal drugs include, but are not limited to, marijuana, cocaine, amphetamines, PCP (phencyclidine), and opiate (including heroin, morphine and codeine). The Contractor will pay for drug tests.

v. Provide recognizable name badges for all employees associated with Contract. Ensure only individuals with appropriate badges are on-site. Visitors and subcontractors must also have a distinctive and contrasting name badge.

vi. Provide an orientation for all employees with a preventive and cautionary focus in regard to both embezzlement-fraud and handling suspicious mail.

vii. Post warnings about embezzlement-fraud and identity theft in the workplace, as a deterrent, in addition to warnings on handling suspicious mail.

    (1) Establish and administer an anonymous tip process to encourage workers to report activity, if they become aware of it. The CCI must be notified in writing within one business week of any such reports unless approved otherwise by Contract Compliance Inspector.

viii. Provide lockers for temporary and permanent staff to minimize and restrict taking personal articles such as purses, cell phones, etc., to and from the work area.

ix. Conduct unannounced reviews of employees' compliance with work processing procedures and established internal controls at least once annually.

m) Audit Logs (Also See Exhibit A, Section 7.18)

i. The Contractor must (i) create, protect, and retain information system audit log records to the extent needed to enable the monitoring, analysis, investigation, and reporting of unlawful, unauthorized, or inappropriate information system activity, and (ii) ensure that the actions of individual information system users can be uniquely traced to those users so they can be held accountable for their actions.

Contractor will create, protect, and retain information system audit logs to the extent needed and required by the State. All MARCS production activity and account access is logged through the application via table entries and history records, and tied to unique user identification number. Internet access is monitored and logged via a proxy server.

ii. The Contractor must observe the following guidelines regarding system auditing:

    (1) Audit logs must contain the following:

- date and time of the activity
- subject identity
- type of activity
- how data changed
- where the activity occurred
- outcome of the activity.

    (2) System alerts if audit log generation fails.

    (3) System protects audit logs from unauthorized access.

    (4) Audit record must be reviewed by individuals with a "need to know" on a regular basis.

    (5) Audit logs must be retained for sufficient period of time per section 1.022.9.o.ii.

Contractor will comply with all audit requirements per Treasury's direction.

n)   Media Protection

     i.   The Contractor must implement measures to provide physical and environmental protection and accountability for tapes, diskettes, printouts, and other media containing Treasury's personal, confidential and sensitive information to prevent the loss of confidentiality, integrity, or availability of information including data or software, when stored outside the system. This can include storage of information before it is input to the system and after it is output.

        Contractor's Clean Desk Policy mandates to all management that any hard copy information must be secured in locked desks or storage cabinets when not in use. Additionally, physical security controls include restricted access via proximity access card control and the use of camera monitoring systems. A process for validation and sign in of all visitors is also in place and all employees wear picture ID badges which distinguishes them from visitors. With the inside work perimeter secured, portable media is able to be properly managed, thus preventing unapproved media from leaving the premises. Approved media, such as MARCS tape backup and image backup are handled and controlled through the Contractor courier process.

     ii.   The Contractor must ensure that only authorized users have access to information in printed form or on digital media removed from the information system, physically control and securely store information media, both paper and digital, restrict the pickup, receipt, transfer, and delivery of such media to authorized personnel.

        By domain policy Contractor severely restricts the access to data on electronic media and the ability to print data from this media. Agent workstations are locked down so they prevent the use of both hard drive and USB media. Data is centrally housed on computers in the secured computer room so no agent has data located on the computers they use on the project.

o)   Media Destruction and Disposal

     i.   The Contractor must sanitize or destroy information system digital media containing personal, confidential or sensitive information before its disposal or release for reuse to prevent unauthorized individuals from gaining access to and using information contained on the media.

        Contractor's disposal policy incorporates the use of disk cracking with data overwrites and degaussing before reuse or destruction to ensure media does not contain confidential client data. These methods match with Department of Defense criteria for media management and information disposal on electronic media.

     ii.   The CCI and the Contractor will mutually agree upon the confidential destruction procedures of all electronic files and paper documents created and stored by the Contractor. The Contractor shall contact the CCI, to establish this process (also see Exhibit C and section 1.022.1.k.ii).

p)   Incident Reporting

     i.   The Contractor must immediately notify the CCI of any security incidents and/or breaches [see Exhibit J, Form 4621 What is an Incident? (brochure)].

     ii.   The Contractor must have a documented and implemented Incident Response Policy and Procedure

     iii.   The Contractor must have an incident handling form for consistent, repeatable process for monitoring and reporting when dealing with incidents.

     iv.   The Contractor must have an incident response resource identified to assist users in handling and reporting incidents.

        Incident response is coordinated through the project security liaison who reviews all incidents.

     v.   The Contractor must have personnel trained in their incident response roles and responsibilities at least annually.

q)   Disaster Recovery and Business Continuity Plan

   i.   The Contractor must develop, annually update, and regularly test disaster recovery and business continuity plans designed to ensure the availability of Treasury's data in the event of an adverse impact to MARCS due to a natural or man-made emergency or disaster event.

   Contractor's Disaster Recovery is part of a comprehensive Business Continuity Process to ensure that client data is maintained in a secure fashion. In addition to specific instructions for recovery from a catastrophic event, the process includes ongoing actions taken to identify and assess vulnerabilities, definable mitigation activities to reduce this risk, and an ongoing user awareness training process.

   The process is aimed at risk mitigation and reduction. The basis of Contractor's work in this area is the yearly vulnerability assessment Contractor conducts at each of the Contractor's field sites. These assessments identify a set of potential emergency events which are rated as to their probability of occurrence and impact (human, property and business). Events are ranked in a Risk Index and ordered so that the sites can address events they perceive have the greatest potential of occurring in their locale. Contractor provides Mitigation Checklists, which summarize emergency events and present suggestions which can be implemented to lessen the impact if an event were to occur.

   Secondly, Contractor's process is aimed at controlled and structured recovery. To this end Contractor deploys Recovery Teams, each of which performs specific activities. The efforts of each team are coordinated by the Contractor Disaster Recovery Coordinator and each team's action item performance list is specialized depending on the area of recovery they focus on (i.e. system recovery, telecommunications recovery, etc.)

   The underlying layer of the entire business continuity process is security. Contractor's primary focus is applying the correct combination of security controls with Contractor's information inventories so that Contractor quickly knows who has access, what kind of access it is and where the access is placed within Contractor's computing systems. This, coupled with Contractor's monitoring process, provides the advantage of setting effective Recovery Point Objective of minus one day's work and Recovery Time Objective of five business days and maximizes Contractor's ability to protect client data and efficiently recover operations if a disaster were to occur.

   ii.   The Contractor must provide the CCI within 90 calendar days after Contract award with a summary and access to their disaster recovery/business continuity plan.

   iii. The Contractor must perform annual testing of all security control requirements to determine they are working as intended. Annual certification must be provided in writing to the Contract Compliance Inspector or designee in the form of a Type I or Type II SAS 70 report within 30 days of completion of the audit report. The State will determine which audit report type will be required each Contract year.

   A SAS 70 audit report specific and limited to the State collection program is required.

   The price for a Type I and Type II SAS 70 report is listed in Attachment A.

10) Provide courier service for pick-ups and deliveries between Contractor's site and Secondary Complex twice per day or a designated site within a 20 mile radius of the State Capitol in Lansing, Michigan (see sections 1.022.1.l, 6.b and 6.c).

   a)   The Contractor is responsible for securing a courier, whether they are Contractor employees or a subcontractor.

   Contractor uses one of its employees to provide courier services.

   b)   Contractor must provide the CCI with a list of all drivers' names and a copy of their picture I.D. at least two weeks before drivers begin providing services to Treasury.

      i.   If a subcontractor is used, the State must have access to background check data for drivers (see section 1.022.9.l.ii).

   c)   Security Measures Implemented for Drivers

      Security measures in place include:

      1. Driver is restricted to making courier run only between the office and secondary site.
      2. Driver travels a prescribed route so that knowledge of their whereabouts can be easily determined.
      3. Materials are placed in car trunk so they will not be seen if vehicle is stopped.

   d)   Transportation Method to Be Used for Service Including Vehicle Specifications

      The transportation method used includes:
      1. Employee's personal vehicle is used.
      2. Driver makes two runs per day (morning and afternoon).
      3. The primary material being transported is trays of letters.
      4. Occasionally a payment check or checks is transported. If this occurs, the payment check(s) are placed in locked bags.

   e) If a subcontractor is used, drivers must sign a Treasury "Vendor, Contractor, Subcontractor Confidentiality Agreement" (Exhibit C, Attachment A) that will be forwarded to the Contract Compliance Inspector.

   f)   The Contractor must ensure that all materials transported are kept secure and will take precautions to minimize the risk of unauthorized disclosure (see Exhibit C).

   g)   The Contractor must arrange to drop-off mail from Contractor's site to the Secondary Complex or a designated site within a 20 mile radius of the State Capitol in Lansing, Michigan for mailing by the State. The Contractor and State will come to mutually agreed upon standards for the packaging of information being shipped from Contractor to Treasury that ensures all materials transported are kept secured, and organized to minimize the risk of unauthorized disclosure and adherence to State and federal standards/regulations for mailing.

   h)   The Contractor must deliver work products to the Collection Division Central Office (e.g., reports, electronic files, etc.).

11) End of Contract Data Conversion Responsibility: At the expiration or termination of this Contract, the Contractor must work with State personnel to ensure the transitional and operational continuity of the services under this Contract.   The Contractor agrees to assist the State for a reasonable period of time that in no event will exceed six months after the expiration or termination date of this Contract and to assign key personnel as needed to assist in the transition. Key system staff will be available to ensure data integrity and system continuity (also see section 2.170).

12) The Contractor must work with the State and other Contractors (e.g. MDIT, information technology systems Contractors, etc.) to assist in problem resolutions including but not limited to, establishing new communications channels, downtime, testing, etc.

Contractor maintains a comprehensive problem reporting and tracking system to ensure issues are quickly identified and communicated to parties that can properly review and resolve the issue in a timely manner.

13) Contractor must provide experts to serve as witnesses and provide testimony on behalf of the State. Such services must be provided at the request of the State at no additional cost. Such testimony may require the Contractor's appearance in court, at depositions, at hearings, or any other necessary circumstances. Historically this has been an infrequent occurrence.

1.030   Roles and Responsibilities

1.031   Contractor Staff, Roles, and Responsibilities
Contractor's key personnel are required to meet with the CCI monthly in the Greater Lansing area to provide oversight, guidance, updates, and information pertaining to this Contract. The CCI will call upon other resources as deemed necessary to effectuate the requirements of this Contract. This may include representatives from other Contractors of the State, State Departments, and/or agencies.

1)   Contract Manager, Project Manager and System Administrator Staff are considered Key Personnel as follows (see section 2.062):

   a)   Contract Manager: The Contractor must appoint a Contract Manager that will serve as the Contractor's liaison to the State for this Contract. The Contract Manager will liaison with the Collection Division CCI and is responsible for ensuring that all tasks related to this Contract are carried out by the Contractor.

   Mr. Bob Nieman is Contractor's appointed Contract Manager and is based in Lansing

   b)   Project Manager: The Contractor must appoint a Project Manager that will oversee the day to day operations.

   Ms. Sheila Fews is Contractor's appointed Project Manager

   i.   The Contractor must provide and identify a management structure overseeing the project.

   See the attached Organizational Chart, provided in Appendix 10, for the management structure to oversee the project (project-level and IT).

   ii.   The management structure above the Project Manager should be notified of major problems arising during the performance of the project. Contractor's procedure for escalating issues follows:

   Contractor's Project Manager immediately notifies the Contract Manager of any problems that arise. The Contract Manager involves and deploys the personnel required to resolve the problem. Should the Contract Manager be unavailable, the Project Manager escalates to the next available executive.

   iii.   Risk management generally involves:

   a)   Identification of the risk
   b)   Assigning a level of priority based on the probability of occurrence and impact to the project
   c)   Definition of mitigation strategies
   d)   Monitoring of risk and mitigation strategy.

   Risk assessment review should be conducted on an annual basis or when major changes are made to the system and business operations. Contractor's procedure for risk management follows:

   Contractor maintains a formal risk strategy aimed at ensuring the continuity of the business and continued operational capability of the applications and business processes. The process is aimed at risk mitigation and reduction. The basis of Contractor's work in this area is the yearly risk assessment and the site vulnerability assessment.

   Contractor's Risk Assessment identifies potential threats in five system-related areas – Data Center which is comprised of HVAC, Fire Suppression, Electrical, Emergency Response, Backup, and Storage; Network Infrastructure which is comprised of Firewall and LAN/WAN Design; Equipment which is comprised of Workstations and Telecom; Applications which is comprised of Legacy Systems; Web Sites and any new development; and finally Personnel Resources.

The assessment rates risk in each of these areas as to probability of occurrence and impact at occurrence and allows for the identification of impact areas. The data is formed into a risk exposure index which is evaluated by management and prioritized into mitigation strategies. Contractor's Vulnerability Assessment Process identifies a set of potential emergency events which are rated as to their probability of occurrence and impact (human, property, and business).

Events are ranked in a risk index and ordered so that each of the field offices can address events they perceive have the greatest potential of occurring in their locale. Contractor provides Mitigation Checklists, which summarize emergency events and present suggestions, which can be implemented to lessen the impact if an event were to occur. Both assessment processes are managed through Contractor's Corporate Security Group and risk mitigation/removal strategies are tracked with the Security Steering Committee to ensure potential trouble areas are addressed.

    iv. During the implementation of a project, it is expected that risks and obstacles will arise.

        Contractor will deploy risk mitigation strategies to overcome any unanticipated obstacles.

    v. The Contractor must keep the CCI apprised of current contact information for the management structure.

  c) The Contractor must appoint a System Administrator (see section 1.031.2).

2) <u>Systems Team:</u> The Contractor must appoint a System Administrator that will liaison with the Collection Division System Operations Assistant Administrator to address any systems issues related to the administration of this Contract.

Contractor's System Administrator is Mr. Chris Christensen.

  a) The Contractor's Systems Team is responsible for ensuring that the functionality, integrity, and security of MARCS meet all requirements and Service Levels of this Contract. The Contractor is responsible for all modifications and specifications of MARCS.

  b) The Systems Team may comprise the following roles and quantities:

      i.   One Chief Information Officer
      ii.   One Client/Server Manager
      iii. One Systems Planning Manager
      iv. One User Support Manager
      v.   Two Business Analysts
      vi. One Technical Specialist
      vii. Three Programmers/Analysts
      viii. Two UNIX Operators for Call Management System Maintenance
      ix. Three Help Desk Staff
      x.   One Strata™ Analyst
      xi. Three Computer Operators
      xii. Two Administrative/Data Control Operators
      xiii. Five LAN Administrators
      xiv. One System Administrator.

      See Appendix 10 for an Organizational Chart related to IT roles and quantities. Contractor will staff to meet these roles and quantities, as required.

3) <u>Contractor Account Problem Resolution Liaison:</u> The Contractor must appoint a Contractor Account Problem Resolution Liaison that will liaison between the debtor and the Collection Division to assist and facilitate the resolution of account issues.

Contractor has appointed Nick Arcaro as the Account Problem Resolution Liaison.

  a) The Contractor Account Problem Resolution Liaison must report to the Contractor's Contract Manager.

4) <u>Support Staff</u>: The Contractor will provide up to two support staff to assist the Collection Division in private collection call overflow, private collection document processing, and other private collection related tasks.

5) <u>Bankruptcy Staff:</u> The Contractor must provide 11 Bankruptcy Staff to assist the Collection Division in private collection call overflow, private collection document processing, and other private collection related tasks (see section 1.022.1.j). The number of staff could be increased or decreased as requested by the Contract Compliance Inspector; additionally, the Contract Compliance Inspector will approve overtime when necessary.

6) The Contractor must identify all Subcontractors and explain their roles and responsibilities associated with this Contract's tasks.

   Contractor partners with CGI, Inc. to provide services to the Collection Division. CGI will provide assistance in the operation of MARCS, daily system operation, system monitoring, storage management, and performance metric monitoring.

   a) Any Subcontractors must meet all confidentiality and security requirements set forth in this Contract.

   b) Collection services/activity must not be subcontracted to a third party collection agency.

7) The Contractor will provide support staff for its own staff.

8) The Contractor must notify the Contract Compliance Inspector and Contract Administrator of any changes in key personnel, their roles, or responsibilities (see sections 2.021, 2.022 and 2.062).

9) <u>Staffing Requirements</u>: The Contractor must provide staffing in accordance with the terms and conditions set forth herein:

   a) All collection services must be performed by employees of the Contractor solely dedicated to the collection of State delinquent tax and State agency debts.

   b) The Contractor must provide sufficient staff and technological resources to achieve all the tasks and performance measures outlined in this Contract.

   c) The Contractor's employees must comply with the requirements of the Fair Debt Collection Practices Act (FDCPA) and the Department's policies, procedures, and guidelines.

   Contractor's collectors are tested on their FDCPA knowledge and compliance at least twice annually.

1.040   Project Plan

1.041   Project Plan Management

1) The Contractor will carry out this project under the direction and control of the CCI or designee (see section 2.022).

2) A draft project plan is in Appendix 11, including a draft work plan, expected timeline for the MARCS upgrade, and a non-incumbent ramp and implementation.

3) Within five working days after Contract award, the Contractor will submit to the CCI for final approval a project plan. This final project plan must be in agreement with the project plan as proposed by the Contractor and accepted by the State for Contract, and must include the following:

a) The Contractor's project organizational structure.
b) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
c) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

1.042   Reports – Deleted/Not Applicable

1.050   Acceptance

1.051   Criteria
The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this Contract:

1) Performance and Reliability Evaluation (PARE)
   The Performance and Reliability Evaluation will consist of three phases.
   a) PHASE 1 – Specifications Compliance Review
      The first phase shall be comprised of a compliance review of the specifications for the implementation of the MARCS system listed in this Contract. This review will ensure all items are in compliance with the required specifications for the Contract. In the event the State determines that any component or feature of the system does not comply with the mandatory specifications of the Contract, the State reserves the right to cancel the Contract. Further, satisfactory testing of the initial load of data and interfaces between the Department's STAR system and MARCS will be essential prior to the acceptance of the services provided under this Contract.

   b) PHASE 2 – Acceptance Test
      The CCI will evaluate MARCS performance. The CCI will determine that MARCS is fully operational when all of the requirements listed in the Contract are met. It will be the CCI's responsibility to determine that the system is fully operational.

   c) PHASE 3 – Post Implementation
      The performance period for Phase 3 is a period of 45 consecutive calendar days. The performance period shall commence when the initial data load and interface is complete and MARCS is fully operational.

      During the performance period for Phase 3, there shall be no more than three interruptions. During the performance period for Phase 3, there shall be no individual interruption that lasts longer than four hours.

      An interruption is defined as failure in the Contractor-managed system or database, which results in work stoppage.

      Work stoppages resulting from network downtime, Department-supplied equipment failure, or Department-supplied software malfunctions shall not be included in the performance period.

1.052   Final Acceptance
Final Acceptance will be completed 45 days after Phase 3 of the PARE in section 1.051.1.c. During Final Acceptance, there shall be no more than three interruptions. During Final Acceptance, there shall be no individual interruption that lasts longer than four hours (see section 1.051.1.c for definition of interruption). Upon completion of Final Acceptance, the CCI will provide written acceptance of the MARCS implementation.

1.060   Proposal Pricing

1.061   Proposal Pricing
1) For authorized Services and Price List, see Attachment A.

2) See Attachment A for quick payment terms

3) Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See **www.michigan.gov/dmb** for current rates.

4) Invoicing Process

   a) Invoices must be submitted to the CCI.

   b) Payment/invoicing for this Contract shall occur monthly (see section 2.044).

   c) The invoice must include the Contract number and/or purchase order number to ensure timely processing.

1.062   Price Term
1) Firm Fixed Price (applies to Collection Services commission rate; imaging per item processed price).

   Prices quoted are firm for the entire length of the Contract.

2) Firm Fixed Price Economic Price Adjustment (cost of Systems Team staff and Bankruptcy staff).

   Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase or decrease requests based on the Lansing, MI City Average, as published by the US Department of Labor, Bureau of Labor Statistics. Purchasing Operations also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Requests for price changes must be RECEIVED IN WRITING AT LEAST 10 DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be cancelled. The State or Contractor may request price increase or decrease requests. The Contractor remains responsible for performing according to the Contract terms at the Contract price for all orders received before price revisions are approved or before the Contract is cancelled.

1.063   Tax Excluded from Price
1) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

2) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064   Holdback – Deleted/Not Applicable

1.070   Additional Requirements

1.071   Additional Terms and Conditions specific to this Contract
   1) Bond Requirements (Also See Section 3.070) The Department reserves the right to request an Employee Fidelity and/or a Performance Bond from the Contractor.

   a)   Employee Fidelity Bond: If requested by the State, the Contractor shall maintain a satisfactory blanket employee fidelity bond or commercial Crime insurance policy in a minimum amount of $100,000 per employee. The Contractor must submit the Employee Fidelity Bond or commercial Crime insurance policy to the Department of Management and Budget, Purchasing Operations Buyer, within 30 days after notification of Contract award upon request.

   Pricing for this option is itemized in Attachment A.

   b)   Performance Bond: If requested, the Contractor must provide a Performance Bond as security for the faithful performance of this Contract according to its specifications, terms, and conditions. The Contractor must submit the Performance Bond to the Department of Management and Budget, Purchasing Operations Buyer, within 30 days upon request. The Performance Bond amount required is $37,500,000.

   Pricing for this option is itemized in Attachment A.

Article 2, Terms and Conditions

2.000   Contract Structure and Term

2.001   Contract Term
The Contract period is March 15, 2010, through November 15, 2015 (see section 1.011). All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002   Options to Renew
The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional two year periods.

2.003   Legal Effect
Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004   Attachments & Exhibits
All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.
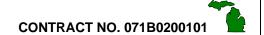
2.005   Ordering
The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006   Order of Precedence
(a)   The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005.**

(b)   In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

2.007   Headings
Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008   Form, Function & Utility
If the Contract is for use of more than one State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009   Reformation and Severability
Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010   Consents and Approvals
Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011   No Waiver of Default
If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012   Survival
Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020   Contract Administration

2.021   Issuing Office
The Contract is issued by the Department of Management and Budget, Purchasing Operations and Department of Treasury (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.**   The Contractor Administrator within Purchasing Operations for the Contract is:
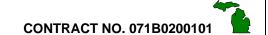
>   Jim Wilson
>   Purchasing Operations
>   Department of Management and Budget
>   Mason Bldg, 2nd Floor
>   PO Box 30026
>   Lansing, MI 48909
>   Email: Wilsonj4@michigan.gov
>   Phone: 517-241-1916

2.022   Contract Compliance Inspector
After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with Department of Treasury, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations**. The CCI for the Contract is:

>   Wilfred Smalls, State Administrative Manager
>   Michigan Department of Treasury
>   Email: smallsw@michigan.gov

2.023   Project Manager
The following individual will oversee the project:

> Kevin Olson, State Administrative Manager
> Michigan Department of Treasury
> Email: olsonk@michigan.gov

2.024   Change Requests
The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

All proposals for Contract changes will be presented to the CCI for concurrence prior to submission to the Department's Purchasing Division.

Change Requests:
> (a)   By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
> (b)   No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
> (c)   If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025   Notices
Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026   Binding Commitments
Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027   Relationship of the Parties
The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028   Covenant of Good Faith
Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029   Assignments
(a)   Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b)   Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

(c)   If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030   General Provisions

2.031   Media Releases
News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032   Contract Distribution
Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.033   Permits
Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034   Website Incorporation
The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.
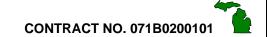
2.035   Future Bidding Preclusion
Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036   Freedom of Information
All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery
Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables
Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables
If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered
For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General
(a)   Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b)   Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c)   Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d)   All invoices should reflect actual work done. Invoices and payments will be submitted/paid monthly per section 1.061. The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration
To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment
The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047   Final Payment
The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048   Electronic Payment Requirement
Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at http://www.cpexpress.state.mi.us. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050   Taxes

2.051   Employment Taxes
Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052   Sales and Use Taxes
Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan are required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060   Contract Management

2.061   Contractor Personnel Qualifications
All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062   Contractor Key Personnel
(a)   The Contractor must provide the CCI with the names of the Key Personnel.

(b)   Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c)   The State reserves the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request
The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLA's for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location
All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification
Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties
Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources
The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068   Contract Management Responsibilities
The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070   Subcontracting by Contractor

2.071   Contractor Full Responsibility
Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072   State Consent to Delegation
Contractor must not delegate any duties under the Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073   Subcontractor Bound to Contract
In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074   Flow Down
Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075   Competitive Selection
The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080   State Responsibilities

2.081   Equipment
The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082   Facilities
The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and, unless agreed otherwise by the parties in writing, must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor must not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090   Security

2.091   Background Checks
On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/dit. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092   Security Breach Notification
If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.
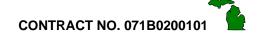
2.093   PCI Data Security Requirements – Deleted/Not Applicable

2.100   Confidentiality

2.101   Confidentiality
Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102   Protection and Destruction of Confidential Information
The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103   Exclusions
Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104   No Implied Rights
Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105   Respective Obligations
The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.

2.110   Records and Inspections

2.111   Inspection of Work Performed
The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112   Examination of Records
For seven years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113   Retention of Records
Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114   Audit Resolution
If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.
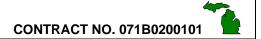
2.115   Errors
(a)   If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b)   In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

   2.120   Warranties

2.121   Warranties and Representations
The Contractor represents and warrants:

(a)   It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the Contract.

(b)   The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c)   It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under the Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d)   If, under the Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in the Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e)   The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor.

(f)   It is qualified and registered to transact business in all locations where required.

(g)   Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h)   If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122   Warranty of Merchantability – Deleted/Not Applicable

2.123   Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124   Warranty of Title – Deleted/Not Applicable

2.125   Equipment Warranty – Deleted/Not Applicable

2.126   Equipment to be New – Deleted/Not Applicable

2.127   Prohibited Products – Deleted/Not Applicable

2.128   Consequences For Breach
In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130   Insurance
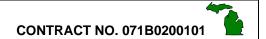
2.131   Liability Insurance
The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

☑   1.   Commercial General Liability with the following minimum coverage:

          $2,000,000 General Aggregate Limit other than Products/Completed Operations
          $2,000,000 Products/Completed Operations Aggregate Limit
          $1,000,000 Personal & Advertising Injury Limit
          $1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑   2.   If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑   3.   Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.
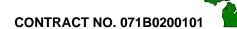
Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑   4.   Employers liability insurance with the following minimum limits:

          $100,000 each accident
          $100,000 each employee by disease
          $500,000 aggregate disease

☑   5.   Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of $1,000,000.00 with a maximum deductible of $50,000.00.

☐   6.   Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☑   7.   Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: $3,000,000.00 each occurrence and $3,000,000.00 annual aggregate.

☑   8.   Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132   Subcontractor Insurance Coverage
Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133   Certificates of Insurance and Other Requirements
Contractor must furnish to DMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance.

If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.
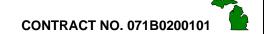
2.140   Indemnification

2.141   General Indemnification
To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

2.142   Code Indemnification
To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143   Employee Indemnification
In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144   Patent/Copyright Infringement Indemnification
To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under the Contract.
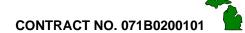
2.145   Continuation of Indemnification Obligations
The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146   Indemnification Procedures
The procedures set forth below must apply to all indemnity obligations under the Contract.

(a)   After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b)   If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c)   If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150   Termination/Cancellation

2.151   Notice and Right to Cure
If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152   Termination for Cause
(a)   The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b)   If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c)   If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d)   If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153   Termination for Convenience
The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154   Termination for Non-Appropriation
(a)   Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
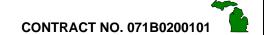
(b)   If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c)   If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155   Termination for Criminal Conviction
The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156   Termination for Approvals Rescinded
The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157   Rights and Obligations upon Termination
(a)   If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b)   If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c)   Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158   Reservation of Rights
Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160   Deleted/Not Applicable

2.170   Transition Responsibilities

2.171   Contractor Transition Responsibilities
If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 365 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

2.172   Contractor Personnel Transition
The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173   Contractor Information Transition
The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174   Contractor Software Transition
The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175   Transition Payments
If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176   State Transition Responsibilities
In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
(a)   Reconciling all accounts between the State and the Contractor;
(b)   Completing any pending post-project reviews.

2.180   Stop Work

2.181   Stop Work Orders
The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182   Cancellation or Expiration of Stop Work Order
The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183   Allowance of Contractor Costs
If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180.**

2.190   Dispute Resolution

2.191   In General
Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192   Informal Dispute Resolution
(a)   All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(i)   The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii)   During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.

(iii)   The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv)   Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b)   This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c)   The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193   Injunctive Relief
The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194   Continued Performance
Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200   Federal and State Contract Requirements

2.201   Nondiscrimination
In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202   Unfair Labor Practices
Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203   Workplace Safety and Discriminatory Harassment
In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.204   Prevailing Wage – Deleted/Not Applicable

2.210   Governing Law

2.211   Governing Law
The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212   Compliance with Laws
Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213   Jurisdiction
Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220   Limitation of Liability

2.221   Limitation of Liability
Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230   Disclosure Responsibilities

2.231   Disclosure of Litigation
(a)   Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities.

The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b)   Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

    (i)   the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or

    (ii)   whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

        (a)   Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and

        (b)   Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c)   Contractor must make the following notifications in writing:

    (1)   Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.

    (2)   Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

    (3)   Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232   Call Center Disclosure

Contractor and/or all Subcontractors involved in the performance of the Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of the Contract.

2.233   Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:
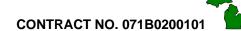
    (a)   the Contractor files for protection under the bankruptcy laws;

    (b)   an involuntary petition is filed against the Contractor and not removed within 30 days;

    (c)   the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;

    (d)   the Contractor makes a general assignment for the benefit of creditors; or

    (e)   the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240   Performance

2.241   Time of Performance

(a)   Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b)   Without limiting the generality of **Section 2.241(a),** Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c)   If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242   Service Level Agreements (SLAs)
(a)   SLAs will be completed with the following operational considerations:
      (i)   SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
      (ii)   SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
      (iii)   SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
      (iv)   Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
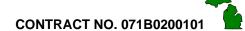
            1.   Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
            2.   Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b)   Chronic Failure for any Service(s) is defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service must not affect any tiered pricing levels.

(c)   Root Cause Analysis must be performed on any business critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor must provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

(d)   All decimals must be rounded to two decimal places, with five and greater rounding up and four and less rounding down, unless otherwise specified.

2.243   Liquidated Damages
The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under section 2.152, the State is entitled to collect liquidated damages as follow:

(a) <u>Software Viruses:</u>

      (i) In the amount of $20,000 for each hour or fraction of an hour beyond one that the State is unable to continue use of normal computer operations if any deliverable associated with development, delivery, implementation, conversion of data, or other aspects of the collection system application software provided to the State by the Contractor contains or introduces a virus that results in contamination or damage to the State's operating system environments or equipment.

The application software (both baseline software and modifications thereto) provided by the Contractor and used during the course of providing services to the State must be tested by the Contractor for software viruses before installation on the equipment in the State's operating system environment, including any environment provided by subcontractor (if applicable) under Contract to the State, and any updated, substituted, or replacement software must also be tested by the Contractor prior to installation of the software in the State's operating system environment. If damage is done to files as a result of such a virus introduced by the Contractor, the State will collect from the Contractor those actual costs associated with the efforts required to recover or recreate damaged files.

(ii) If any software deliverables contain a virus that results in the contamination or damage to network or personal computer operating environments, the State will collect liquidated damages from the Contractor in the amount of $200 for each hour or fraction of an hour beyond one for each piece of equipment which is unable to perform normal computer operations. If damage is done to State data files as a result of such a virus introduced by the Contractor, the State will collect from the Contractor liquidated damages equal to those actual costs associated with the staff effort required to recover or recreate damaged files.

(b) Confidentiality: Willful violation of the Confidentiality provisions (see section 1.022.9, section 2.100 and Exhibit C) will entitle the State to liquidated damages in an amount equal to any liability to the State established as a result of an adjudicated complaint of a firm or individual deemed to have been harmed by a violation of confidentiality.

(c) Failure to Comply with Regulations: If, as a result of the Contractor's failure to perform as agreed, the State is challenged by a governmental authority or Third Party as to its conformity to or compliance with State, Federal and local statutes, regulations, ordinances or instructions, the Contractor shall be liable to the State for liquidated damages in an amount not to exceed the lesser of $50,000 or the direct cost associated with loss of conformity or compliance.

(e) Unauthorized Removal of Key Personnel: It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under section 2.152, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the Liquidated Damages amount is $25,000.00 per individual if the Contractor identifies a replacement approved by the State under section 2.060 and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the $25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of $833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed $50,000.00 per individual.

(f) Other Remedies: The assessment and collection of Liquidated Damages for any Unauthorized Removal, Contaminated Software, or Failure to Comply described in section 2.242 shall not be construed to limit in any way any other legal or equitable remedies of the State for such Unauthorized Removal, Contaminated Software, or Failure to Comply (including, without limitation, the right to terminate this Contract for cause), except that the State's right to seek actual damages shall be as set forth below. The State may seek actual damages for any Unauthorized Removal, Contaminated Software, or Failure to Comply described above (regardless of whether the State terminates this Contract), if in the State's judgment it is possible to fix actual damages for such Unauthorized Removal, Contaminated Software, or Failure to Comply; provided, however, that if the State commences an action or proceeding seeking actual damages for any such Unauthorized Removal, Contaminated Software, or Failure to Comply, the State will be entitled to receive only the amount of actual damages awarded in such action or proceeding (after the exhaustion of all appeals) or agreed to by the State and the Contractor in a written settlement agreement.

The State may retain any Liquidated Damages collected for such Unauthorized Removal, Contaminated Software, or Failure to Comply pending final determination in such action or proceeding of the amount of actual damages to which the State is entitled. Such Liquidated Damages will be applied by the State as a credit against the amount of actual damages to which the State becomes entitled is less than the liquidated damages collected by the State for such Unauthorized Removal, Contaminated Software, or Failure to Comply, the State will promptly refund the difference to the Contractor

2.244   Excusable Failure
Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250   Approval of Deliverables – Deleted/Not Applicable

2.260   Ownership

2.261   Ownership of Work Product by State
The State owns all Deliverables as they are works made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents, or other proprietary rights in the Deliverables.

2.262   Vesting of Rights
With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data
(a)   The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b)   The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials
The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

        2.270   State Standards

2.271 Existing Technology Standards
The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit.

2.272 Acceptable Use Policy
To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/ditservice. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.
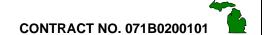
2.273 Systems Changes
Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

The Contractor must institute a Change Control Process with a committee that meets at mutually agreed intervals of at least monthly to review, prioritize, and approve proposed changes to the Collection System. The Contractor will also report, at these meetings, information to assist the committee in evaluating progress on approved system changes.

The committee must consist of representatives from the Contractor including but not limited to the Chief Information Officer, the Project Manager, the Client/Server Manager, the Systems Planning Manager, The System Administrator and the User Support Manager. The State will be represented by the Contract Administrator, CCI and Systems Operations Assistant Administrator.   The State will have final decision on any system changes requested and the priority of when the work will be conducted.

        2.280   Extended Purchasing – Deleted/Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision
Hazardous Materials:
For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:
The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:
Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300   Other Provisions

2.311   Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials
Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.
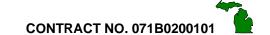
Attachment A, Price Proposal

A quick payment term of <u>0.5%</u> discount off invoice if paid within <u>15</u> days is offered on this Contract.

1) Collection Services

Description	Contingency Fee		Value Collected	Subtotal
Value of Accounts Collected During Contract Period				
a) $0-$100,000,000	11.61%	X	$100,000,000	$11,610,000
b) $100,000,000.01 to $200,000,000	11.61%	X	$100,000,000	$11,610,000
c) $200,000,000.01 to $300,000,000	11.61%	X	$100,000,000	$11,610,000
d) $300,000,000.01 to $400,000,000	11.61%	X	$100,000,000	$11,610,000
e) $400,000,000.01 to $500,000,000	11.61%	X	$100,000,000	$11,610,000
f) $500,000,000.01 to $600,000,000	11.61%	X	$100,000,000	$11,610,000
g) $600,000,000.01 to $700,000,000	11.61%	X	$100,000,000	$11,610,000
h) $700,000,000.01 to $800,000,000	11.61%	X	$50,000,000	$5,805,000
i) $800,000,000.01 to $900,000,000	11.61%	X		
j) $900,000,000.01 to $1,000,000,000	11.61%	X		
k) $1,000,000,000.01 or Greater	11.61%	X		
			5-Year Collection Services Total	$87,075,000

<u>Notes</u>:

1. Contingency fee must be inclusive of all collection service costs (non-MARCS related)
2. Reserved.
3. The State of Michigan does not guarantee a minimum or maximum dollar volume of work.
4. Reserved.
5. The Contractor will not receive compensation when offsets result in funds being applied to a debtor's accounts.
6. Payments received on an account within three days of assignment to the Contractor will not be included in compensation (lag time between account assignments).

2) Bankruptcy Processing (Section 1.022.1.j)

Description	Hourly Rate		Quantity		Hours	Subtotal
a) Bankruptcy Staff	$24.50	X	11	X	10,440	$2,813,580
b) Overtime Rate	$30.00	X	1	X	10,440	$313,200
			5-Year Bankruptcy Processing Total			$3,126,780
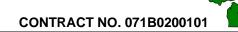
Note: Hours are based on 2,088 hours/year over 5 years.

Contractor's Note: Overtime Rate has been provided for circumstances only in which overtime hours are required to be incurred.

3) Imaging (Section 1.022.1.k)

Price Per Document Processed	Quantity		Years	5-Year Imaging Total
$2.52	70,000	X	5	$882,000

4) MARCS (Sections 1.022.3.b, 3.f and 3.h)

Description	Unit Price		Years	Subtotal
a) Hardware (Attach List of Proposed, Upgraded Hardware)	$439,613	X	1	$439,613
b) Software (Attach List of Proposed, Upgraded Software, If Applicable)	$365,377	X	1	$365,377
c) Hardware and Software Maintenance (Attach List of Proposed Annual Hardware and Software Maintenance)	$304,467	X	5	$1,522,335

4d) Systems Team (Section 1.031.2)

Role	Hourly Rate		Quantity		Hours	Subtotal
(1) Chief Information Officer	$260.00	X	1	X	10,440	$2,714,400
(2) Client/Server Manager	$178.91	X	1	X	10,440	$1,867,820
(3) Systems Planning Manager	$178.91	X	1	X	10,440	$1,867,820
(4) User Support Manager	$178.91	X	1	X	10,440	$1,867,820
(5) Business Analysts	$105.53	X	2	X	10,440	$2,203,466
(6) Technical Specialist	$142.37	X	1	X	10,440	$1,486,343

	Hourly Rate		Qty		Hours	Subtotal
(7) Programmers/Analysts	$117.17	X	3	X	10,440	$3,669,764
(8) UNIX Operators for Call Management System Maintenance	$89.93	X	2	X	10,440	$1,877,738
(9) Help Desk Support	$117.17	X	3	X	10,440	$3,669,764
(10) Strata™ Analyst	$117.17	X	1	X	10,440	$1,223,255
(11) Computer Operators	$46.52	X	3	X	10,440	$1,457,006
(12) Administrative/Data Control Operators	$46.52	X	2	X	10,440	$971,338
(13) LAN Administrators	$89.93	X	5	X	10,440	$4,694,346
(14) System Administrator	$117.17	X	1	X	10,440	$1,223,255
5-Year Systems Team Total						$30,794,135

Note: Hours are based on 2,088 hours/year over 5 years.

4e) System Modifications (Section 1.022.3.f,): Identify the Hourly Rate by Staff Role (e.g., Project Manager, Programmer, etc.)	**Hourly Rate**		**Hours**	**Subtotal**
(1) Role: Program Manager	$178.91	X	10,440	$1,867,820
(2) Role: Technical Specialist	$142.37	X	10,440	$1,486,343
(3) Role: Programmer / Analyst	$117.17	X	10,440	$1,223,255
(4) Role: SAP System Configuration / Sr. Functional	$200.00	X	10,440	$2,088,000
(5) Role: SAP Technical Consultant	$190.00	X	10,440	$1,983,600
(6) Role: SAP Designer / Configurer / Developer	$140.00	X	10,440	$1,461,600

5) Bonds (Section 1.071)	**Price**
a) Employee Fidelity Bond	$22,350/Yr
b) Performance Bond	$375,000/Yr

Contractor's Note: Employee Crime Insurance Policy (based on 200 FTE estimate) and Performance Bond pricing are provided based on the first year premium amounts. Total 5 year estimated cost is $111,750 and $1,875,000, respectively.

6) SAS 70 Report (Section 1.022.9.q.iii)	**Unit Price**		**Years**	**Subtotal**
a) Type I SAS 70 Report	$36,000	X	5	$180,000
b) Type II SAS 70 Report	$66,000	X	5	$330,000

Contractor's Notes: The Unit Price for a Type I SAS 70 Report is provided based on an estimated average cost per year over the 5 year period. The first year cost is estimated to be $80,000 with remaining years estimated at $25,000 per year. The Unit Price for a Type II SAS 70 Report is provided based on an estimated average cost per year over the 5-year period. The first year cost is estimated to be $110,000 with remaining years estimated at $55,000 per year.

7) Summary Totals	
a) Collection Services	$87,075,000
b) Bankruptcy Processing	$3,126,780
c) Imaging	$882,000
d) MARCS Hardware, Software and Maintenance	$2,327,325
e) MARCS Systems Team	$30,794,137.20
f) Bonds	N/A
g) SAS 70 Reports	$295,000
h) System Modifications	$6,057,622.08
5-Year Subtotal	$130,557,864.28
Prompt-Pay Discount	$652,789.32
5-Year Grand Total	$129,905,074.96

Exhibit A: Functionality of the MARCS System

Definitions

"ACD" means Automated Call Distributor.

"AG" means the State of Michigan, Attorney General's office.

"BCP" means Bankruptcy Claim Professional software.

"CC" means carbon copy.

"CCH" means Coded Collection History.

"CIS" means Collection Information Statement.

"CNC" means Currently Not Collectable.

"COLSED" means Collection Statute Expiration Date.

"Contractor" means Primary Collection Contractor.

"CPS" means SER Call Processing System.

"CTI" means Computer Telephony Interface.

"Doc Gen" means Document Generation Facility.

"EFT" means electronic funds transfer.

"FCC" means Federal Communications Commission.

"FTP" means file transfer protocol.

"Function State" means cases grouped with the same characteristics that require similar collection actions.

"Functional Area" means the division of cases in a location into groups with similar collection characteristics.

"GAL" means Garnishment and Levy System.

"GUI" means graphical user interface.

"IA" means Installment Agreement.

"Location" means the highest level of case organization in MARCS and defines an organizational unit.

"MARCS" means the Michigan Accounts Receivable Collection System.

"OCA" means collection agency other than Collection Contractor (Contractor).

"P & I" means penalty and interest.

"PAL" means Previously Approved Lien.

"PLP" means Potentially Liable Party.

"POTLIA" means Potentially Liable.

"SCT" means State of Michigan Agency Temporary Account.

"SIT" means special information tones.

"STAR" means the State Treasury Accounts Receivable system.

"state" lower-case means cases that require similar collection actions.

"State Assignment" means the nightly process that routes cases based on the State Assignment Rules.

 "State Assignment Rules" means a series of procedures that process cases based on current Function State to determine if the case matches criteria for routing to a different Function State.

"TIF" means tagged image file.

"TMU" means Table Maintenance Utility.

"WO" means Write-Off.

1.0 Online Processing (Sections 1.0 through 7.18)

1.1 Introduction (System Overview)

The Michigan Accounts Receivable Collection System (MARCS) is an on-line system that supports the collection of delinquent and default cases (also see sections 1.012 and 1.022.3 of Contract). The system automatically assigns work lists and schedules to users and provides collections activity statistics for reporting and evaluation purposes to managers. Onsite users are users located at the Contractor's location. Off-site users are users located at various offices and field offices. The application can only be accessed within the State of Michigan Network. MARCS is a commercial off-the-shelf software (CACS-G) that was developed by American Management Systems and customized for the State of Michigan.

MARCS improves collection efficiency and productivity by automating common, time consuming activities. Because MARCS prepares work lists of scheduled cases each day for users and supervisors, collections agents have more time to concentrate exclusively on vital collection functions.

The system maintains complete, up-to-date case collection information on its database and communicates directly with the host accounting system, State Treasury Accounts Receivable system (STAR) without any paperwork required. Cases are scheduled for specific follow-up activities by the system or by the user. See Exhibit K (MARCS Nightly Batch Processing) for a list of batch processes run nightly.
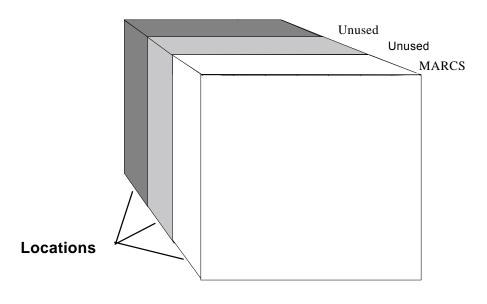
MARCS is specifically designed to support multiple debt types for a single debtor, totaling the debtor's delinquency amount across all debt types. This approach promotes consistent collection practices across the debtor's entire case rather than the individual collection tactics for each individual delinquent/default debt type.

1.2 Organization of Cases

The following sections present an overview of the organization of cases supported by MARCS. The terms location, functional area, state, and work list, which are used in the remainder of this document, are defined below.

Locations

The highest level of case organization supported by MARCS is the location. A location defines an organizational unit. Generally, locations are associated with different geographic locations of collection facilities. The locations hierarchy may be defined as required to support varying collection policies and procedures within Treasury's Revenue Bureaus. However, currently MARCS uses only one location, but other locations can be used if needed.
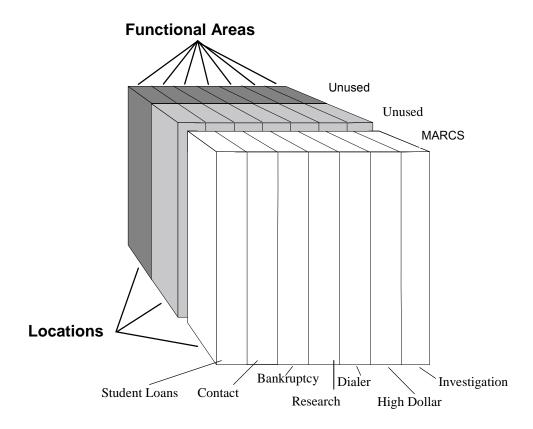
Locations

1.3 <u>Functional Areas</u>

MARCS divides cases within a location into groups called functional areas. It is customary in a collections department to organize the work force according to specialized work activities. MARCS models this organization using the concept of functional areas. A functional area consists of a group of cases with similar collections characteristics worked by individuals who normally report to one or more supervisors. For example, cases that are 30 to 90 days delinquent might be grouped into one functional area, cases 90 to 120 days delinquent into another, and non-filing cases into a third functional area.

In MARCS cases flow from one functional area to another and user security is also established by functional area. The functional area parameters, defined by collection managers, establish criteria such as the minimum acceptable payment percent, and the number of days between State Assignment evaluations. The following figure shows seven sample functional areas: Bankruptcy, Contact, Dialer, High Dollar, Investigation, Research and Student Loans.
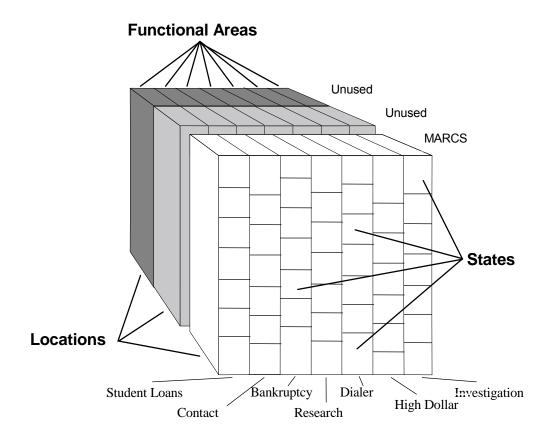
1.4 <u>States</u>

Within a functional area, MARCS groups cases with the same characteristics and requiring similar collection actions into the same state. For example, all cases waiting initial contact would be in one state and cases for which the debtors cannot be found would be in another. Some states contain cases for supervisors to review, while others contain cases waiting for an event to take place, such as the receipt of a promised payment or return. When these events or actions occur, a case may be transferred, or routed, from one state to another within the functional area. If an event significantly changes the status of a case, it can be routed to another functional area. Specified states may also be re-evaluated using management-defined State Assignment Rules, possibly resulting in a state change. The following example demonstrates how various functional areas are divided using states:

1.5 <u>Work Lists</u>

Within a state, cases that are scheduled for collection activities are divided into work lists. A work list can be associated with one particular user, a group of users, or it may be accessible by a number of users.

2.0 Working with MARCS

2.1 Case Assignment and Association

Each state has one work list which any number of users may be authorized to work on a "next case, next available user" basis. Cases flow through MARCS beginning with case entry, then case processing, and finally with moving a case to inactive. The 'next case' action means that the current case has been completed and the user is ready to begin work on the next available case.

2.2 Case Entry

STAR refers delinquent and non-filed cases to MARCS. Entry rules define the criteria that a case must meet in order to be accepted into collections. Entry criteria are set in the System Parameter Maintenance tables and can be changed by supervisors (managers) to adjust collection strategies and to adjust the number of cases accepted from the accounting systems. Upon entry, MARCS assigns each case to an entry state, then to an outcome state based upon parameter-driven rules.

2.3 Case Processing

MARCS prepares and maintains automated work lists that are accessed by users and supervisors. This work is scheduled and managed according to parameter-driven rules. As long as a case is active on the system, the case information can be refreshed each night to ensure that users always have access to the most up-to-date information. In a typical collection scenario for MARCS, a user is assigned to a number of work lists. The user selects a work list from a menu and the system presents cases on that work list to the user one at a time in a predefined order. The user performs the required task(s), records the results, and then accesses the next case on the work list. As users work cases, MARCS marks the case as "worked." This process continues until a user reaches the end of the work list. If MARCS or the user routes the case to another state, the system will present the case on the new work list when appropriate. MARCS maintains a record, by user, of all actions and work results for reporting and evaluation purposes.

During background/offline processing, MARCS reviews each case in the collection system to determine what collection activity, if any, should be performed on that case the next day. A case remains in a particular state until some event or action causes the system to route the case to the next state. This event or action can be initiated by the debtor, user, supervisor, accounting system, or by MARCS based on established system parameters. Case processing continues in this manner until no additional collection actions are warranted.

2.4 State Assignment Queue Builder

The State Assignment Queue Builder is part of the nightly process that identifies and places active accounts/cases in a table for evaluation by State Assignment within prescribed time frames. The State Assignment Rules evaluate affected accounts (based on age and various updates) for movement to appropriate Function States for next collection action.

2.5 State Assignment

State Assignment is a nightly process that takes the cases that have been placed in the queue either online, by one of the background processes, by one of the posting processes or the State Assignment Queue Builder and processes them against the State Assignment Rules. The State Assignment Rules are a series of stored procedures which interrogate the case based on its' current Function State and find out it if the case now matches criteria for routing to a different Function State for a different collection strategy or for automatically generating a letter.

2.6 Work List Queue Builder

The Work List Queue Builder is a nightly program that truncates the Work List Queue table and then inserts cases into the Work List Queue table that have a "schedule date" equal to or less than date supplied. The number of cases by Function State placed in the Work List Queue table is controlled by a value in the Function State Master table. In this manner, the System Administrator can control how many cases are placed in a work list for each individual Function State.

2.7 Work List

The Work List program is a nightly process that evaluates the cases placed in the work list queue and places them into the work list table in a specified sorted order for each individual Function State. The System Administrator can specify certain columns from various tables that are used for sorting criteria so that cases when worked online are "next cased" in a sorted priority order.

2.8 Capability Levels

A user's Capability Level information is stored in the User table. The User table is a System Parameter Maintenance table and is restricted to specific authorized users (system administrator). The system recognizes those functions the user is allowed and is not allowed to perform. Capability Level consists of both a user's authority level as well as the functions a user needs to perform daily tasks. Capability Level controls a user's access to work lists, ability to inquire, comment on, or update cases, ability to route cases, and ability to access and update System Parameter Maintenance tables.

The Capability Levels defined in MARCS follow (from the lowest to highest capability):

> Inquiry
> Clerk 1
> Clerk 2
> Collector
> Supervisor
> Location Manager
> Division Manager
> Organization Manager
> Systems

Note: Within these levels, MARCS can differentiate between Contractor and State of Michigan users

2.9 Case Processing Menus

Case Processing Menus contain operations that are only available in MARCS while working in a case. These menu items are available on all case related windows. In addition to the MARCS Standard Windows menu, these menus include:

- Case
- Actions

2.9.1 Case Menu
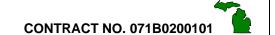
The **Case** Menu always appears after the **Access** menu (when it is available).

2.9.2 Actions Menu

The **Actions** Menu is always displayed before the **Admin** menu (when it is available).

2.9.3 MARCS Window–Specific Menus

MARCS Window-Specific Menus are dynamic menus containing options that are only available while users are working within that particular window. These menus (for example, **Demographic**, **Assets**) are always displayed between the **Case** and **Actions** menus. Each menu is described after the related window.

2.10 Special Graphical User Interface (GUI) Features

MARCS uses a graphical user interface (GUI) to simplify user tasks and help perform these tasks quickly. Some of the special features include the following:

- Calendar Date
- Calendar Window
- Editable Drop Down List
- Protected Areas.

2.10.1 Calendar Date

MARCS contains many user-modifiable dates. Although users can enter month, day, and year manually, MARCS provides a faster, easier way to enter a date. Users can enter any date using the Calendar window.

2.10.2 Calendar Window

To Access the Calendar window, double-click on the date. The Calendar window appears.

This window contains two black arrows; one pointing left and the other pointing right on either side of the calendar month and year. Click on the left arrow to scroll to the previous month or click on the right arrow to scroll to the next month. By using these arrows, users can access any day of any year. To select a date, double-click on the desired day on the Calendar window, and the system automatically pastes the selected date in the date column. There are no keyboard equivalents for this functionality.

In addition to the Calendar window, the system provides another way to specify certain dates using spin buttons. Spin buttons consist of two small, vertically aligned buttons. For example, the Follow-Up Date provides a set of spin buttons to the right of the date information. The top button increases the selected number and the bottom button decreases the selected number. First, users must be positioned on either the month, day, or year. Then, by pressing the spin buttons, that portion of the date will scroll forward or backward depending on the button being pressed. There are no keyboard equivalents for this functionality.

2.10.3 Editable Drop-Down List

Most windows in the system contain data entry areas to enter information and/or drop down list areas used to select an existing value from a list of valid entries. MARCS contains many columns with a large number of valid entries. For example, if the system contained hundreds of valid states, it would not be time efficient to have to scroll through all of them alphabetically until the desired entry is reached. Therefore, in MARCS users can highlight the drop down list area and enter alphanumeric characters as a means of searching for the first occurrence of those characters. To perform the search, press ALT + ↓ (down arrow key). The drop down list is displayed. By pressing the down arrow key, the system highlights the first matching entry and pastes it in the drop down list area. Users can continue pressing up or down arrow keys to locate the desired entry. However, if users enter characters that do not match existing entries, the system displays the list beginning with the current entry in the drop down list. Once an entry has been selected, press the TAB key. The entry is pasted in the drop down list and the next column is highlighted.

Note: The ENTER key has no functionality with editable drop-down lists.

Not all drop-down lists provide this functionality. Users can visually distinguish between standard drop down lists and editable drop down lists. The standard drop down list consists of a label and data entry portion with an arrow attached to the data entry portion. The editable drop down list consists of a label and data entry portion with an arrow detached from the data entry portion. For example, the Control Folder on all action windows contains two editable drop-down lists: Route to State and Responsible User.

2.10.4 Protected Areas

Protected areas cannot be edited or updated. These areas are either system generated or are for display purposes only. Users can visually distinguish between protected and unprotected areas by color. Protected areas are gray and unprotected areas are Window background color (usually white). Although, some values in protected areas can be highlighted and copied to the clipboard for pasting elsewhere, the values themselves cannot be changed.

Note: Keyboard equivalents for copy and paste: Copy (CTRL-C) and Paste (CTRL-V).

Users can also visually distinguish between protected and unprotected check boxes. Protected check boxes appear two-dimensional (a simple black square). Unprotected check boxes appear three-dimensional (a shadowed box).

2.11 Selecting a Case

MARCS processing takes place at the case level. Selecting a Case is the most common action a user will perform.

2.11.1 Lookup Window

The Lookup window enables users to access a case using one of several available search criteria. A search area locates cases based on the following criteria:

- Name Only (select Debtor or Contact)
- Name, City (Debtor only)
- Name, City, Zip Code (Debtor only)
- Social Security (SSN) (Debtor only)
- Federal ID (FEIN) (Debtor only)
- Assessment Number (Debtor only)
- Lien Number (Debtor only)
- Last 4 digits of SSN (Debtor only)
- DLN (Debtor only).

Note: Partial searches are best when using the Name lookup criteria. For example, if you want to locate a case for Joe Miller, enter a few letters from the last name in the search area. Always enter Name searches in the following order: Last Name, First Name, Middle Initial.

2.11.2 Open a Case Window

The Open a Case window enables users to select the case directly by entering the exact case number. The case number is the account level key used to identify the account. Usually, this number is a social security number for individual accounts, or federal ID number for business accounts.

To Access the Open a Case Window,

1. Select Access: Open a Case from the menu bar, or select the Open a Case icon on the toolbar. The Open a Case window is displayed.

3.0 Processing Work Lists

3.1 Overview of Work List Processing

This section describes how to process Work Lists. Depending on the job assignment, users will likely spend most of the collection workday processing accounts via Work Lists. Work List processing is similar to looking through a stack of folders containing all cases to be worked for the day. MARCS can automatically sort cases and distributes them to users and groups of users in the form of Work Lists. A user can retrieve a work list from the list of available work lists (on the Work List Status window) that the user can access. Also, from the Work List Status window, the user can browse the list of available work lists (on the Work List Browse window) if he/she has the correct authority. Browse mode operates in a similar manner to regular Work List processing except that the user can open a case, whether it is worked or unworked, and no action is required before accessing the next case. This function is particularly helpful to supervisors by enabling them to track a specific collector's workload by:

- Viewing the cases on the Work List.
- Anticipating potential difficulties that may arise for the user.
- Resolving any related or outstanding questions or problems.

This function is limited to users who have been given "browse ability" by the System Administrator.

Note: When processing work lists (in Work List and Work List Browse modes), cases already accessed by another user are skipped when determining the next case to be retrieved.

3.2 Work List Status Window

The Work List Status window enables users to select the work lists (groups of cases) to be worked based on state. Only work lists that the user can access are displayed. This window also provides summary statistics on different work list collection case pools.

To Access the Work List Status Window:

1. Select Access: Work List Open from the menu bar, or select the Open Work List toolbar button. The Work List Status window is displayed.

To Access the Work List:
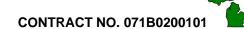
1. If Work mode is selected, double-click on the desired list row to display the Main Case Window for the first available case in the work list.

Note: Although user can access multiple work lists during a session, it is not recommended that multiple iterations of a single work list are opened.

4.0 Working Collection Cases

4.1 Overview of Case Processing

In MARCS, cases are worked by contacting debtors by phone and through correspondence, arranging payment plans or Installment Agreements, receiving and documenting account activity with debtors and contacts, and through other actions. The cases that users work in a given day appear on a users work list. After selecting a case on the work list, the main case window appears, showing all information for that particular case. A typical case shown in the main case window might include multiple addresses, information on the debtor's assets, other people to contact in reference to the debtor, debt balances, and other data. From the Main Case window, a user can initiate actions, maintain and view information, and send correspondence.

This section describes the windows used to work collection cases in MARCS. When an action is performed, a notation is made in the case's history identifying the user performing the action, along with the date and time the action was performed. Depending on the action performed, additional details can be saved in the case history. The case history is a useful record for keeping track of all activities that have occurred for a given case.

4.2 Responsible User

MARCS has the capability to have accounts assigned to certain users and track them via work lists and the Responsible Users' inventory. This function can be manually engaged or populated via batch processes. Supervisors maintain the responsible user for their employees. The Responsible User concept is also in existence at the supervisor level with respect to the allowing of viewing their users work lists to monitor and ensure their accounts are being worked timely. Supervisors can view a compilation of all their employees' accounts on one window.

4.3 Control Folder

This folder is displayed on all action windows.

Route to State: Select from the list of available states. Due to the potentially large number of states, users can enter alphanumeric characters to access the desired state; however, only existing entries can be selected from the list. The Route to State function is further defined later in this document and is available as an independent option/action.

Responsible User: The default is the user associated with the current state; however, the user can override the responsible user selected by the system, and select from a list of available users. Due to the potentially large number of users, users can enter alphanumeric characters to access the desired user; however, only existing entries can be selected from the list.

Follow-Up Date: The date when this case will next be pursued in this state as specified by the user as part of an action. The change Follow-Up Date function is further defined later in this document and is available as an independent option/action.

4.4 Main Case Window

The Main Case window enables the user to see high-level information for a case. This information includes primary and secondary states in which the case resides, primary responsible user, primary follow-up date, demographic information, financial information, "We Have" information, primary memo, list of history, new and current assets, the last financial transaction, account status, who has responsibility of the account, and the business details.
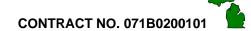
To Access the Main Case Window:

1. To return to the Main Case window from any window on the case whether an action or non-action window, select Case: Return to Main Case from the menu bar.

2. To open the Main Case window from any window on the case whether an action or a non-action window click on the Return to Main Case icon.

To Close the Main Case Window:

Select **File: Close** from the menu bar, or click on the Close toolbar button. When users close the Main Case window, any windows open for the case close as well. When closing, the system prompts the user to save any changes made to the case since the last save action as follows:

- Selecting Yes saves and closes the case.
- Selecting Cancel aborts the close action and returns to the Main Case window.
- Selecting No closes the case without saving changes.

When accessing the Main Case window through the Work List Status window, the system prompts the user to close the current work list as follows:

- Selecting Yes closes the work list and returns the user to the work list status window.
- Selecting No opens the next case on the work list.
- Selecting Cancel aborts the close action and returns to the Main Case window.

4.5 List of History Window

The List of History window displays all past actions that were taken on this case. This includes both user activities (for example, making an outgoing call or sending a letter) and system activities (for example, reassigning a case to another state). This history is intended to provide a full audit trail of the processing steps performed on a given case. Because this window acts as an archive for all interactions, users cannot change history lines once they are entered. Some actions available for the case have expanded information known as history text, only for the highlighted Coded Collection History (CCH) line. System-generated history text always precedes history text entered by users. If the user double clicks on a particular history line, then a history detail will appear giving the user more information on that particular history of the case.

To Access the List of History Window:

1. From any action or non-action window, select Case: History from the menu bar. The window will then open.

2. For any action or non-action window, click on the History icon.

4.6 History Detail Window

The History Detail window displays the details of the Coded Collection History (CCH) lines from the List of History window. The History Detail Window is for display purposes only, and information contained in the window columns cannot be changed.

Some actions available for the case have expanded information known as history text. System-generated history text always precedes history text entered by the user.

To Access the History Detail Window:
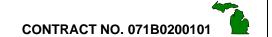
1. **Highlight the Collection History item and double-click on the desired Collection History item; or highlight the Collection History item and press enter. The History Detail window appears.**

2. In the window, the Activity Summary box provides information that applies to any activity. The Other Activity Information box provides additional information applicable to any activity.

4.7 Post Office Notification Window

The Post Office Notification action window provides a place for the user to record that the correspondence delivery failed because the letter was returned by the Post Office. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder (History Text is the default folder).

To Access the Post Office Notification Window:

1. From the List of History or History detail window, select History: Post Office Notification from the menu bar. If selecting from the List of History, a letter sent needs to exist to use this option. The Post Office Notification window is then displayed.

4.8 Failed Letter Window

The Failed Letter window provides a place for the user to record that the correspondence delivery failed because the letter was torn or other wise destroyed beyond being deliverable. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder (History Text is the default folder).

To Access the Post Office Notification Window:

1.   From the List of History or History detail window, select History: Failed Letter from the menu bar. If selecting from the List of History, a letter sent needs to exist to use this option. The Failed Letter window is then displayed.

4.9 Route to State Window

The Route to State action window provides a means for the user to route the case to another state. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Route To State Window:

1.   From any non-action window, go to the menu Actions: Case Control: Route to State.   The Route to State window will then appear.

2.   From any non-action window, users may also click on the Route to State icon.

4.10 Change Follow-Up Date Window

The Change Follow-Up Date action window provides a means for the user to change the date when this case will next be pursued in this state. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Change Follow-Up Date Window:

1.   From any non-action window, go to the menu Actions: Case Control: Change Follow-up Date.   The Change Follow-up Date window will then appear.

2.   From any non-action window, users may also click on the Change Follow-up Date icon
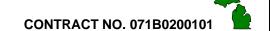
4.11 Add Secondary State Window

The Add Secondary State action window provides a means for the user to add another secondary state (up to five states) in the State List, displayed in the State Management window. If five states already exist, delete a state before adding another state (see next window). To update the list after adding a secondary state, click on **Edit: Refresh All**; the added state is inserted in the State List sorted in alphabetical order by functional area name and state name. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. Those who can only access this action window are the individuals with the correct rights and/or capability.

To Access the Add Secondary State Window:

1.   While on any non-action window select from the menu, Actions: Case Control: Add Secondary State Window.   The Add Secondary State window will then be displayed.

2.   From any non-action window select the MARCS icon, Add Secondary State.

4.12 Delete Secondary State Window

The Delete Secondary State action window enables the user to delete a secondary state. This window contains the History Text tab folder. Those who can only access this action window are the individuals with the correct rights and/or capability

To Access the Delete Secondary State Window:

1. While on any non-action window select from the menu, Actions: Case Control: Delete Secondary State. The Delete Secondary State window is displayed.

2. While on any non-action window select the Delete Secondary State icon.

Note: The Delete Secondary State menu item is only available if a secondary is selected in the State Management window.

4.13 Change Secondary State Window

The Change Secondary State action window enables the user to change from one secondary state to another. This window contains the History Text tab folder. Those who can only access this action window are the individuals with the correct rights and/or capability

To Access the Change Secondary State Window:

1. While on any non-action window select from the menu, Actions: Case Control: Change Secondary State. The Change Secondary State window is displayed.

To open the Change Secondary State Window, while on any non-action window select the Change Secondary State icon.
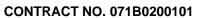
Note: This action is disabled if a prior secondary state does not exist.

4.14 Skip Trace History Text Window

The Skip Trace History Text window enables the user to add a history text to the account in which a skip trace action has taken place. This window has been modified to have a pre-populated drop down list containing specific skip trace tools used in the locating process. This window contains the History Text tab folder. Those who can only access this action window are the individuals with the correct rights and/or capability.

To Access the Skip Trace History Text Window:

1. While on any non-action window select from the menu, Actions: Case Control: Skip Trace History Text. The Skip Trace History Text window is displayed.

4.15 List of Financial Information Window

The List of Financial Information window displays all debts associated with the current account. The debts are grouped at the assessment number level but are sorted by debt type.

- The "Selected Debts" section at the bottom of the window shows the principal amount, penalty amount, interest amount, warrant amount, balance, and COLSED (Collection Statute Expiration Date) date for the selected debt on the list. If multiple debts are selected, the section will show a summation of the principal, penalty, interest, warrant costs, and balance for all selected debts.

- The "Case Total" section at the top of the window shows principal, penalty, interest, warrant costs and balance for the current case. Note that debts referred to an OCA (Outside Collection Agency) and purged debts are excluded from the case totals.

The "Case Total" and "Selected Debts" boxes are for display purposes only (all columns are protected). When a user enters the projected penalty and interest date and clicks the "Retrieve" button, the projected penalty and interest is calculated for all the debts. The fields on the "Selected Debts" and "Case Total" sections are updated to show the new values. The List of Financial Information window provides two search criteria, "Debt Type" and "Debt Selection."
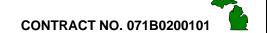
The Debt Type drop down window has the following options:

- The account representative (AR) can view 'All' the assessments and the debts associated with them (default). A 'Summary' option exists which on being selected shows only information at the assessment level. Further, the list could be filtered for an individual debt type wherein the AR would see the assessment number, information at the assessment level and the selected debt type under the assessment.

The Debt Selection drop down window has the following options:

- The list can be filtered by an AR to display those assessments associated with a specific responsible party or agency. The expanded list shows only responsibility codes that occur in the current account. The list can also be filtered to display those assessments associated with collectible debts, and those available for amnesty. Collectible debts are those debts with either of the following assessment statuses: 001, 005, 010, 015, 087, 088, 110, or 111 and not referred to an OCA.

An AR can filter the list by using the two search criteria in combination. The default for both search criteria is "All." The List of Financial Information window remains open when the user opens a Debt Details window. Users can toggle back to the List of Financial Information window and open another instance of the Debt Details window.

To Access the Financial Information Window:

1.   From any action or non-action window, select Case: Financial Information. The window will open.

2.   Double click on the Financial Information data on the Main Case window.

3.   From any action or non-action window on the case, click on the Financial Information icon.

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The user can select a single or multiple debt type(s) on the List of Financial Information window and perform an action on that debt type by selecting a menu item from the Financial Information menu. Double clicking on a debt type also displays the Debt Detail window.

4.16 List of Financial Transactions

The List of Financial Transaction window lists the history of all financial transactions on a particular case. A user can view all transactions or search the transaction list on the following criteria: Assessment number, Check number, Tax Period, Tax type, Summary date and Posting date. A search by posting date will retrieve all transactions from the posting date till the present date. In addition to these criteria, the list can be further filtered based on the following transaction type by selecting them: All Payments, Voluntary Payments, Levy Payments, Offsets, Exclude PIP/PIC entries and Non-cash Adjustments. The list is sorted on posting date, with the most recent records listed first. The Tax Period search does not support partial searches. The search key format changes based on the selection on the Search by drop-down. The two-drop downs can be used independently or in a combination.

To Access the Financial Transaction Window:

1. From any non-action or action window on the case, select Case: Financial Transaction.

2. From any non-action or action window on the case, click on the Financial Transaction icon.

4.17 Penalty   and Interest (P & I) Totals Window

This window is where the breakdown of penalty and interest (P & I) is shown in detail. The penalty and interest is broken down to include the assessment number, tax type, period end date, penalty interest current date, and then a break down of current penalty, current interest, total penalty, and total interest.

To Access the P & I Total Window:

1. To access the P & I Total window from any action or non-action window, click on Case: Financial Transactions. Then, click on the P & I Totals button at the bottom left hand side of the screen.

2. To access the P & I Total window from any action or non-action window, click on the Financial Transaction icon and then click on the P & I Totals button at the bottom, left hand side of the screen.

4.18 List of Demographics

The List of Demographics window lists all demographic [Debtor, PLP (Potentially Liable Party), and Contact] information associated with this case. All the information on this window is protected; however, a user can select a row in the Demographic List area. The list area contains Debtors sorted by Relationship Type (Primary, Secondary, etc.) followed by PLPs sorted by Relationship Type (Owner, Officer, etc.) followed by Contacts sorted by Relationship Type (Accountant, Attorney, etc.). Each list entry can consist of several rows of information.

To Access the List of Demographics Window:

1. To access the List of Demographics window click on the menu, Case: Demographics: Maintain.

2. To access the List of Demographics window, double click on the address field on the Main Case window. This will open the debtor detail window.

3. To access the List of Demographics window, click on the Demographic icon.

4.19 Debtor Detail Window, Contact Window, or Potentially Liable Party (PLP) Window

The Debtor Detail, Contact or Potentially Liable Party (PLP) windows contain information for Debtors, PLPs, and Contacts. When there is less than sufficient information, it is considered a contact. Since the information and actions performed on Debtors, PLPs, and Contacts are slightly different, the view of the window changes depending on the type of demographic selected. The actions that can be initiated on the window also change depending on the type of demographic selected. This window contains two tab folders: Address Information and Address History. By clicking on the "tab" portion of the folder, the focus of the window will change to that folder. Address Information is the default folder. The Address Information folder is displayed differently based on whether a Debtor, PLP, or Contact is selected. The Address History folder displays the same whether a Debtor or Contact is selected.

The Debtor Detail window also has an Address History window. This window is used to separate current and previous addresses of the debtor. The information shown on this screen cannot be changed.

To Access the Debtor Detail Window:

1. To access the Address History window, once in the debtor detail window, click on the tab that states, address history. The address history window will then open.

To Add a Demographic (Contact only):

1. Select Case: Demographics: New Contact from the menu bar while in any window associated with the case. A blank Demographics detail window is displayed.

To Change an Existing Demographic:

1. Select Case: Demographics: Maintain from the menu bar while in any window associated with the case. The List of Demographics window will appear.

2. Double-click on a list row in the List of Demographics window to display a Demographics detail window, where users can make the desired changes.

To Add a Corporate Officer:

1. **Select Case: Demographics: PLP New from the menu bar while in any window associated with the case. A blank PLP window is displayed.** When filling out the window, do NOT fill in any POTLIA (Potentially Liable) Entity (Source). **This will make the Corporate Office fully liable, before the State has a chance to actually assess Corporate Officer liability.**

4.20 Debtor Cross Reference Window

The Debtor Cross-Reference window displays all cases linked to a particular debtor. Processing a debtor with more than one case is simplified by using this window. The user can select a case from the Debtor Cross-Reference window, by double clicking the case, or by selecting the case and pressing enter. The Debtor Cross-Reference window does not have a window-specific menu associated with it.

To Access the Debtor Cross Reference Window:

1. The user can only access the Debtor Cross-Reference Window properly from several windows, i.e. List of Demographics, Financial Information, and Main Case Window. On each of the windows, there is either a box with x-ref, or an X in the x-ref column. On the Main Case Window, there is the word X-Ref displayed in the "We Have" column. If there is more than one debtor on the account, if the current debtor displayed on the Main Case is not the debtor with the Cross-Reference, then there will be no X in the x-ref column. On any of the above listed windows, users must highlight the debtor to view any cross references for to access the Debtor Cross-Reference window from any of the above listed windows, click on the Debtor Cross-Reference icon.

2. The user can also access the Debtor Cross-Reference Window by using the menu option. Go to the menu, click on Case: Debtor Cross-Reference. The Debtor Cross-Reference Window will appear.

4.21 List of Assets Window

The List of Assets window displays all assets that are associated with a particular debtor. Asset records are sorted alphabetically by Asset Type and in descending order by Last Updated date.

To Access the List of Assets Window:

1. How to access a particular asset from the List of Asset window while on the Main Case window; double click on the asset to view the detail. This opens:

   a. List of Demographics for the particular debtor.
   b. List of Assets.
   c. Asset Detail.

2. To access the List of Assets window, use the Main Case window or go through the Demographic window. To access the List of Assets window using the demographic window, select Demographics: Assets: Maintain. If adding a new asset, select new, click on the asset type, such as bank, employer or other, or click on "new" button on the Main Case window.

3. Another way to access the List of Assets window is once in the Demographic window's, click on the List of Assets icon.

4.22 Bank Information Window

The Bank Information detail window displays asset information that is specific to the asset type of bank. This window also displays a list of accounts that the debtor has at the bank.

To Access the Bank Information Window**:**

1. Double-click on a Bank Asset on the List of Assets window for a current bank, or Asset: Bank New from the List of Assets, or Demographic: Assets: New Bank from the List of Demographics. The Bank Information window is displayed.

2. The users may access the Bank Asset on the Main Case window. To add a new bank from the main case window click on New: Bank. The Bank Information Window will appear.

3. Double clicking on an existing bank on the Main Case window will open the Bank Information window for that bank.

4.23 Levy Search Master

The Search Master is a search engine, uploaded with detailed information about various banks and employer information

To Access the Levy Search Master

1. Once on the Bank Information or Employer Information screen, click on the Search Master button located at the top right hand side of the screen.

4.24 Levy Source Response Window

After typing in the name of the asset to be found and selecting search, the asset information will be displayed. To access the asset information, the user can double click on the particular asset that they want displayed or touch the enter key when the particular asset they want to view is highlighted. Once selected, the Levy Source Response window will be displayed.

Once the user knows that the asset is correct, they can click okay, and have the information added to either the Bank Information window, or the Employer Information window. Once added
save the information by using the Save toolbar button.

4.25 Centralized Levy

The centralized levy process is a nightly program that posts levy address changes. When users make a change to the master levy source online, all the individual debtor assets (levy sources) that are linked to that levy source master row are also updated. Additionally, for any levy sources that have an active levy and now have an address change, a levy source address change notification record is sent to STAR to ensure the most current address in the event of a levy release is sent by STAR (see Exhibit B).

4.26 Employer Information Window

The Employer Information detail window displays asset information that is specific to an employer. This window also displays a list of employment information that the debtor has for that employer.

To Access the Employer Information Window:

1. Double-click on an Employer Asset or select Asset: Employer New on the List of Assets window (or select the Asset: New: Employer menu item from the Asset detail window). The Employer Information window is displayed.

2. The user can also access the Employer Information window, by selecting new employer on the Main Case Window.

3. Double clicking on an existing employer on the Main Case window will open the Employer Information window for that employer.

4.27 Other Asset Information Window

The Other Asset Information detail window displays asset information that is specific to a miscellaneous asset type. Miscellaneous assets refer to personal belongings.

To Access the Other Asset Information Window:

1. Double-click on an Other Asset on the List of Assets window (or select the Asset: New: Other menu item from the Asset detail window). The Other Asset Information window is displayed.

4.28 List of Bankruptcies Window

The List of Bankruptcies window displays all bankruptcies associated with a particular debtor. The List of Bankruptcies is sorted in ascending order by Chapter Number and in descending order by Last Updated date.

To Access the List of Bankruptcies Window:

1. Highlight a debtor on the List of Demographics window, then select Demographic: Bankruptcy: View from the menu bar (or select Demographic: Bankruptcy: View from the menu bar in the Demographic detail window when it shows a debtor). The List of Bankruptcies window appears.

Note: The List of Bankruptcies window does not disappear when a Bankruptcy detail window is displayed. It remains open on the desktop in the background to facilitate easy and immediate access.

4.29 Bankruptcy Window

The Bankruptcy detail window displays bankruptcy information related to a debtor. This window cannot be updated; it is for viewing only.

To Access the Bankruptcy Window:

> **1. Double-click on a row in the List of Bankruptcies window. The Bankruptcy window is displayed.**

4.30 Bankruptcy Trustee/Attorney Window

The Bankruptcy Trustee/Attorney window, invoked from the Bankruptcy detail window, contains contact information for the bankruptcy debtor's Trustee and Attorney. This window is not updateable; it is for viewing only.

To Access the Bankruptcy Trustee/Attorney Window:

> 1. Press the Trustee/Attorney icon in the Bankruptcy detail window, or select Bankruptcy: Trustee/Attorney from the menu bar. The Bankruptcy Trustee/Attorney window is displayed.

4.31 Bankruptcy Claim Worksheet Window

The Bankruptcy Claim Worksheet window shows the debt and penalty amounts for various periods and claim types (for example, Administrative, Secured, Priority, and Unsecured). The Bankruptcy Claim Worksheet window does not have a window specific menu.

4.32 Payment Window

The Payment window enables the user to set up an Installment Agreement (IA) for the case, or a one time payment. This window provides the flexibility to build a viable plan by specifying the number of payments, the amount of the payments the debtor is to make, or both. The Payment window contains tab folders: History Text, Control, Apportionment (if available for debts), Promise, and IA. This window also contains a Collection Information Statement (CIS) button on the right side of the window.

To Access the Payment Window:

> 1. To Access the Payment Window, select Case: Payment from the menu bar. The Payment window will appear.

The History Text and Control folders are standard folders. The Promise folder is for 1-time payments. The IA folder is for extended payment arrangements over 1 month.

The IA folder contains an additional button for CIS. This opens a supporting window that documents Collection Information Statement documents sent in by the debtor. In certain circumstances, apportionment is available, but only if the debtor is on an IA. Apportionment is defined later in this document.

The Promise Pay process runs each night. This process tracks all payment arrangements. If a payment arrangement lapses, a pre-default letter is systematically sent to the debtor. If the payment is not made up, the system defaults the arrangement and routes the case to a Function State for a review prior to enforcement action.

MARCS supports two types of payment arrangements, Promise-To-Pay (one time payment) and IAs. Both of these plan types are monitored through this process to ensure compliance with the established terms.

4.33 Collection Information Statement (CIS) Window

The Collection Information Statement (CIS) window enables users to gather information about a debtor's income and expenses. The CIS window contains two tab folders: Income (current folder when the window opens) and Expenses.

4.34 CIS Detail Windows

The CIS Detail windows are for different combinations of radio buttons and tab folders; Business Income, Business Expenses, Individual Income, Individual Expenses.

4.35 View Details

The View Details button on the Payment window leads to a supporting window called payment details. This window allows for modification of specific payments in the event a debtor needs to change a payment. In order for EFT to be allowed, this window must be populated.

4.36 Electronic Funds Transfer (EFT) / Check Detail Window

The Electronic Funds Transfer (EFT) / Check detail window enables users to set up either an EFT or an automatic check payment for a case. EFT is a very effective means of insuring that debtors following an Installment Agreement (IA) meet their payment obligations by automatically deducting the funds directly from the debtor's bank account. Automatic check payment is also an effective means of payment as the check is automatically printed by the Contractor and deposited without the debtor needing to manually write and mail a check. Once the debtor agrees to either an EFT/Check, he/she must provide the user with the necessary bank information to complete the window. If time allows, pre-notes are sent to the bank for EFT/Check arrangements. These pre-notes are a verification tool used with the bank to ensure there is an account for this debtor at the bank, and that our banking information is accurate.

Note: An EFT/Check cannot be created unless the Payment window has been completed.

EFT's can be set up for one-time payments or for a payment series. Automatic check payments can only be set up for business accounts (account number begins with 'F'), and they can only be for one-time payments – either a single payment or the first payment in a series.

The way the EFT / Check Detail window functions is dependent on whether the account is for a business or individual, and how the user answers this prompt.

If users answer No to this prompt (regardless of the type of account), the user is presented with the EFT/Check Detail window. Completing this window will automatically set up an EFT for the account.

If users answer Yes to the prompt, then the type of account will determine how the EFT / Check Detail window will function. If it is a business account, a new Check # field will appear directly above the Account # field.

Completing the window for this type of arrangement will schedule the first payment (or only payment) as an automatic check. On the night before the payment is due, MARCS will create a file that will send information to Auto Pay to automatically print the check on behalf of the debtor.

If the user selected Yes on the prompt, and the account is for an individual, the Check # field will still appear; however, it will be grayed out and populated with 'TEL'. A TEL is a type of EFT where the debtor authorizes payment over the phone. Completing the window for this type of arrangement will schedule the first payment (or only payment) as a TEL arrangement.

After saving a TEL arrangement, a TEL Talk-off window will appear for the user to read verbatim to the Debtor.

Clicking Cancel on this window will return the user to the EFT/Check Detail window with no changes saved. Clicking OK on this window will return the user to the EFT/Check Detail window with all changes saved.

Although EFT/Check Status is generated by the system, it is important to understand how each status is defined.

The Send Prenote status indicates that a Prenote is scheduled to be sent. The Prenote Sent status indicates that a Prenote has been sent on the account, and it is awaiting activation. The Active and Open statuses indicate that EFT/Check transactions are currently being processed (or scheduled to be processed) according to the frequency and dates specified.   The Suspended status indicates that the EFT/Check is temporarily suspended (for example, due to insufficient funds or the EFT/Check has completed all scheduled payments).

Upon completion and saving the EFT/Check Detail window, users will receive a prompt to add the bank used in the EFT/Check as a levy source for the debtor. After clicking OK on this prompt, the EFT/Check Detail window will close and the system will navigate the user to the List of Assets window for the debtor selected in the EFT/Check Detail window.

Additionally, upon completion of the EFT/Check Detail window, the system will automatically schedule the appropriate letter(s) to be sent to the debtor. The debtor must complete an EFT Authorization form before an EFT can be activated and payments begin. If the first (or only) payment is for a TEL arrangement, MARCS must send the debtor a TEL Confirmation letter. Letters are processed as follow:

- If all payments scheduled are EFT, and an EFT not yet activated, EFT Authorization letter and form will be sent.

- If all payments scheduled are EFT, and EFT has been activated, no letter will be sent.

- If only one payment is scheduled, and that payment is for a TEL arrangement, a TEL Confirmation letter must be sent.

- If only one payment is scheduled, and that payment is direct check (CHK record-see Direct Check in the Background section for further definition), no letter will be sent.

- If series of payments are scheduled, and first payment in the series is TEL, both the TEL Confirmation, and EFT Authorization letters and forms will be sent.

- If series of payments are scheduled, and first payment in the series is CHK, an EFT Authorization letter and form will be sent.

To Access the EFT/Check Detail window:

1. While in any case-related window, select Case: EFT/Check from the menu bar. The EFT/Check Detail window is displayed.

4.37 EFT/Check Menu

The EFT/Check detail window includes the EFT/Check Menu bar. This menu displays after the Case menu. The EFT/Check Menu bar contains the following items:

- Unsuspend
- Suspend
- Delete
- Reset EFT/Check.

4.38 Change Payment Detail Window

The Change Payment Detail window displays details for up to 24 EFT/Check payments. If a payment has already been processed, the entire row will be grayed out. If the payment has not yet been processed, the Check Number (for check rows only), Due Date, and Amount fields will be open and available for modification. Changes made to these fields will change the check number, amount, or due date for future scheduled payments.

To Access the Change Payment Detail Window:

1. While in the EFT/Check Detail window, select the View Details button. The Change Payment Detail window is displayed.

4.39 Apportionment Folder

The Apportionment folder provides the user with ability to specify how debtors' payments are apportioned across their debts. This functionality is available only for debtors who already have Installment Agreements (IAs) initiated.

To Access the Apportionment folder:

1. The Apportionment folder appears on the Payment window or any debtor contact windows if there is an IA initiated.

To Set Apportionment:

Apportionment can be either by assessment number or debt type. Enter dollar amounts in the fields labeled "Apportionment Amt". Enter dollar amounts in the column for each line that will have a payment applied to it. The user does not need to enter an amount in every line. When complete, press Calculate button.

If not satisfied with the apportionment, press Reset button and enter dollar amounts again.
If satisfied with the apportionment, press OK button.

If apportionment already exists, and needs to be deleted, click the Delete button.

Apportionment Sweeper

The Apportionment Sweeper program is a nightly process that evaluates all apportionment records and will remove the records if the assessment or debt type has been paid. After removing the records, the remaining apportionment is systematically redistributed to just those assessments or debt types still having an amount in the Apportionment Amt field.

All new, changed, or deleted apportionment records sends interface records to STAR, as STAR applies the payments according to the apportionment specified in MARCS (see Exhibit B).

4.40 Phone Statistics Window

The Phone Statistics window displays statistics accumulated through the Predictive Dialer interface—such as debtor names and phone numbers, busy counts, no answer counts, Special Information Tones (SIT) counts, and last date attempted—for a particular case.

To Access the Phone Statistics Window:

1. Select the Case: Phone Statistics menu from the Main Case window. The Phone Statistics window is displayed.

5.0 Collections Actions

5.1 Overview

The actions available in MARCS enable the users to perform a wide variety of tasks on collection cases. The **Actions** menu contains menu items that provide a means for a user to process a case according to settings that have been previously specified in the System Parameters Maintenance Tables. A manager or system administrator must specify these settings. Assuming the user has the appropriate authority, actions can be invoked once a case is accessed.

5.2 Action Windows

In some instances, an Action window is triggered from other menu items. In other instances, an action is performed through the menu items on the **Actions** menu. Actions have several similarities as follow:

- Action windows trigger activities that generate a CCH (Coded Collection History) for a case.
- All Action windows have tab folders for logically grouping information that creates the CCH.
- All Action windows provide OK and Cancel push buttons. These buttons perform the same functions on all action windows. The OK push button will perform the action and close the window. The Cancel push button will close the window without performing any action or saving any updates. From this point forward, these push buttons will not be described for every Action window since their functionality is similar on all Action windows.

All actions function independently of each other, and; therefore, are not grouped by any subjective order. MARCS groups actions based on hierarchy within the definition of the Actions menu. This menu has been designed to accommodate ease of use for most users. The actions used most often have been placed at or near the top of the Actions menu, and the actions used less often have been placed at or near the bottom of the Actions menu.

5.3 Enter History Text Window

The Enter History Text action window allows for free-form text up to 1,020 characters. Once entered, this text becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder on which a user can enter text concerning the action being taken; therefore, the user rarely needs to open this window. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Enter History Text Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Enter History Text from the menu bar. The Enter History Text window is displayed.

2. From any non-action window associated with this case, click on the Enter History Text icon.

5.4 Incoming Call/Outgoing Call Window

The Incoming Call/Outgoing Call action window enables the user to document the activity produced from a telephone call. This window contains three tab folders: History Text, Control, and IA or Promise (and Apportionment if applicable). And also contains three drop down fields, and a 15-charater Descriptor field. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Incoming Call/Outgoing Call Window:

1. To open the Incoming/Outgoing Call window, from any non-action window on the case, select Actions: Debtor Contact: Incoming/Outgoing Call from the menu bar. The window will open.
2. To open the Incoming/Outgoing Call window, from any non-action window on the case, click on the Incoming call icon.
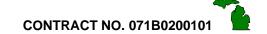
5.5 Control Tab

To Access the Control Tab:

1. To access the Control Tab click on the tab that states Control.

5.6 IA Folder / Promise Folder

The controls in the IA or Promise Folders enable users to calculate various payment plan scenarios, recalculate, reset to previous calculation, or reset to original. The Financial Summary box contains protected debt information. The Payment Details box will be protected if an IA or Promise already exists, otherwise it is available for use. These folders function the same as they would on the Payment window. For further explanation, see the Payment window (section 4.32 of this Exhibit). Another folder, Apportionment can be displayed if the IA allows for apportionment. Apportionment is an option, but not required. These folders are contained not just on the Incoming or Outgoing call windows, but all debtor contact windows.

In order to access the IA, Promise, or Apportionment Folder from any other folder on the Incoming Call/Outgoing Call window; click on the respective tab.

5.7 Letter Received Window

The Letter Received window enables users to enter information documenting a specific letter received. This function is rarely used since the implementation of the imaging process and enhancements. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for a drop down list of the debtors/contacts on this account to be selected and defining the sending party. A title field is also available and a place field of the origination of the letter. As standard, a descriptor field is available.

To Access the Letter Received Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Debtor Contact: Letter Received from the menu bar. The Letter Received window is displayed.

5.8 Field Visit Window

The Field Visit window enables users to enter information documenting a specific field officer visitation to a persons address or place of business. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for a drop down list of the debtors/contacts on this account to be selected and defining the party contacted. A title field is also available and a place field to document who and where the visit was. As standard, a descriptor field is available.

To Access the Field Visit Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Debtor Contact: Field Visit from the menu bar. The Field Visit window is displayed.

2. To open the Field Visit window, from any non-action window on the case, click on the Field Visit icon.

5.9 Office Visit Window

The Office Visit window enables users to enter information documenting a debtor contact where the party came into a field office. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for a drop down list of the debtors/contacts on this account to be selected and defining the party who contacted us. A title field is also available and a place field to document who and where the visit was. As standard, a descriptor field is available.

To Access the Office Visit Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Debtor Contact: Office Visit from the menu bar. The Office Visit window is displayed.

2. To open the Office Visit window, from any non-action window on the case, click on the Office Visit icon.

5.10 Non-CACS-G Letter Window

The Non-CACS-G Letter window enables users to enter information documenting the sending of a letter that is not one of the pre-defined templates existing in the Initiate Correspondence window. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for a drop down list of the debtors/contacts on this account to be selected and defining the recipient(s) of the letter. A title field is also available and a place field to document who and where the letter was sent. As standard, a descriptor field is available.

To Access the Non-CACS-G Letter Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Debtor Contact: Non-CACS-G Letter from the menu bar. The Non-CACS-G Letter window is displayed.

5.11 Payment Received Window

The Payment Received window enables users to enter information documenting the receipt of a payment made in person at a field office. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for an amount field to enter the amount of the payment. This window does NOT post a payment to an account, but simply documents the physical receipt of the payment. As standard, a descriptor field is available.

To Access the Payment Received Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Information Received: Payment from the menu bar. The Payment Received window is displayed.

5.12 Return Received Window

The Return Received window enables users to enter information documenting the receipt of a tax return made in person at a field office. Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. In addition, this window allows for a debt type dropdown list, period end month/year, and amount fields. This window does NOT process a return, but simply documents the physical receipt of the return. As standard, a descriptor field is available.

To Access the Return Received Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Information Received: Return from the menu bar. The Return Received window is displayed.

5.13 Information Received Window

The Information Received window enables users to enter information documenting the receipt of miscellaneous information received (e.g., CIS supporting information, pay stub copies, pay check copies, etc.). Once entered, this becomes a permanent record of the case's processing history and cannot be updated or removed without administrative approval. Every action window has a History Text folder to enter text concerning the action being taken. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Information Received Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Information Received: Information from the menu bar. The Information Received window is displayed.

5.14 Case Information Window

The Case Information window enables the user to read pre-defined scripts related to a process specified by administration. Currently, there are three scripts. Two are related to standard call talk off. The third is related to exact verbiage required to be read to a debtor that agrees to have EFT established on their account.

To Access the Case Information Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Case: Case Information from the menu bar. The Case Information window is displayed.

5.15 Michigan Guaranty Agency (MGA) Call History Window

The Michigan Guaranty Agency (MGA) requires a due diligence standard on contact attempts for Student Loan (EDZ) accounts. Results are taken from various ACD Rockwell Interface window buttons selected by the user. Each unconnected call attempt on an EDZ account immediately adds a history line to the MGA window. The Predictive Dialer backfeed file also updates the MGA window on EDZ accounts, one history line per result.

The MGA Call History window allows the user to read a list of all attempted background and online call attempts on accounts that contain specific student loan assessments (EDZ). This is a read only window.

To Access the MGA Call History Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Case: MGA Call History from the menu bar. The MGA Call History window is displayed.
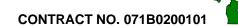
5.16 Notes Window

The Notes window enables the user to read prior comments, edit, add and delete comments. This window displays free form field for comments, the last user that updated this window and date it was last updated. Also displayed is the responsible collector if exists.

The initial population of this window was data contained in the original comments field from the system before MARCS.

To Access the Notes Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Case: Notes from the menu bar. The Notes window is displayed.

5.17 Initiate Correspondence Window

The Initiate Correspondence window enables a user to issue approved documentation to a taxpayer or a third party based on a list of letters available to the user. This window contains six tab folders: Recipient, InRe, Debts, Printing, History Text, and Control. By clicking once on the "tab" of the folder, the window changes to that folder. The Initiate Correspondence window also has a Document Drop Down, Descriptor Field, and a Legal Action for Reprint Field.

To Access the Initiate Correspondence Window:

1. To open the Initiate Correspondence window, from any non-action window select from the menu, Actions: Initiate Correspondence.

2. To open the Initiate Correspondence window, from any non-action window select the Initiate Correspondence icon.

5.18 List of Group Documents Window

The List of Group Documents window enables users to select which document(s) in a group of documents will be sent. The Group Document List is sorted by Letter Description in descending order.

To Access the List of Group Documents Window:

1. **Select a document group from the Document drop down on the Send Correspondence window.**

2. After configuring the information in the window, press the OK push button. The List of Group Documents window appears.

Note: There is no menu item or toolbar icon associated with this window.

5.19 Legal Actions

The following sections describe the Legal Actions-related windows in MARCS. Legal actions are activities used to secure the State of Michigan's interest on a debt or to force payment. Legal actions can be liens, levies or seizure warrants. The legal action functions enable users to close actions, re-open legal actions that were closed, or perform subsequent legal actions.
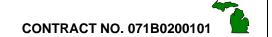
5.19.1 List of Legal Actions Window

The List of Legal Actions window displays all legal actions that have occurred for this case. The List of Legal Actions window allows selection of multiple records from the list. Multiple rows can be selected by holding down the CTRL key and selecting rows with the mouse or the up and down arrow keys and pressing the spacebar or ranges with the SHIFT key.

To Access the List of Legal Actions Window

1. To Access the List of Legal Actions window, from any action or non-action window, select: Case: Legal Action View. The List of Legal Actions Window will appear.

2. To Access the List of Legal Actions window, from any action or non-action window, select the Legal Actions tool bar icon.

Note: The List of Legal Actions window does not disappear when a Legal Actions detail window is displayed. It remains open on the desktop in the background to facilitate easy and immediate access.

Note: Depending on how a user profile is configured, the user may or may not have the appropriate authority level to access Legal Actions. Legal Action authority is enabled in the System Parameter Maintenance table.

5.19.2 Legal Action Window

The legal action detail window displays information about a specific legal action that was already performed. This window contains seven tab folders: In Re, Debts, Events, Lien/Levy/warrant, (based on legal action type) Recording, Reinst Rec and Reiss Rec. By clicking on the "tab" portion of the folders, the focus of the window changes to that folder (In Re is the default folder).

To Access the Legal Actions Window:

1. While in the List of Legal Actions window, double-click on the desired Legal Action type. The Legal Actions window is displayed.

5.19.2.a In Re Folder

The In Re (In Regards) folder, specifies the debtor, asset, or bankruptcy against whom or which the legal action was taken. This folder is for display purposes only (all columns are protected).

5.19.2.b Debts Folder

The Debts folder contains all debts that were selected when the legal action was initiated. The Debt list is sorted by Assessment Number, Debt Type long description, Period (descending; not shown), and Origination ID. The Amount is calculated as the total of all debts selected for the legal action. This folder is for display purposes only (all columns are protected).

5.19.2.c Events Folder

The Events folder displays the history of the legal action. The events list is sorted by date in descending order. This folder is for display purposes only (all data is protected).

5.19.2.d Lien Folder

The Lien Folder is displayed only when the legal action is type "Lien" and it displays a record of the lien information associated with the lien. This folder is for display purposes only.

5.19.2.e Levy Folder

This folder is displayed only when the legal action is a type "Levy" and it displays a record of the levy information.

All the fields on this folder are protected except for "Served Date" and "Served Type."

5.19.2.f Recording Folder

The Recording folder allows for recording original legal action or legal action release information.

5.19.2.g Reinst Rec Folder

The Reinst Rec folder allows for recording reinstated lien information.

5.19.2.h Reiss Rec Folder

The Reiss Rec folder allows for recording reissue lien information.

5.19.3 Action Windows for Legal Actions

The window that appears when users elect to take a new legal action, or perform a legal action-related activity, by selecting an item from the Legal Action menu is described in the following sections. The window is essentially the same when subsequent legal actions are done such as, release a legal action, or force a legal action closed. Additionally, this same window appears when the user selects Actions: Initiate Legal Action from any non-action, case-related window.

5.19.3.a Initiate Legal Action

The window that appears when users elect to take a new legal action, or perform a legal action-related activity, by selecting an item from the Legal Action menu is described in the following sections. The window is essentially the same when users take subsequent legal actions, release a legal action, or force a legal action closed. Additionally, this same window appears when the user selects Actions: Initiate Legal Action from any non-action, case-related window. The title of the window depends on the type of action or action-related activity selected.

5.19.3.b Recipient Folder

The Recipient folder enables users to select multiple addresses that are associated with demographic records (Debtors), Assets, Counties, or Other. To select a recipient, perform the following steps:

1. Choose Demographic, Asset, County, or Other in the Address Source group box.
2. Choose Demographic to enter a debtor's address as the recipient address.
3. Choose Asset to select a debtor and asset from the drop down lists. The recipient address is the address of the selected asset.
4. Choose County to select a debtor and county from the drop down lists. The recipient address is the address of the selected county.
5. Choose Other to enter manually a recipient address in the address columns provided.

When a user has selected an address using one of the three methods described in the previous step, select the Add push button to enter the designated address as a recipient address. The selected address is appended to the Recipients Address list on the top portion of the window.

This process can be repeated and select as many recipients from Demographic, Asset, or Other addresses as needed.

5.19.3.c In Re Folder

The In Re folder specifies the debtor against whom, the asset against which, or the bankruptcy for which the legal action is taken. Up to three debtors and/or assets can be specified for a legal action.

5.19.3.d Debts Folder

The Debts folder contains all debts that can be selected when the legal action is initiated. The Debt list is sorted by Assessment Number Debt Type long description, Period (descending; not
shown), and Origination Id. Initially, no debts are selected; however, multiple debts can be highlighted in the list. Subtotals for each debt type as well as total amounts calculated based on the debts selected are displayed.

5.19.3.e Printing Folder

The Printing folder enables users to select the document destination and the number of copies to be printed for legal actions. This folder is similar to the Printing folder used to send correspondence.

5.19.3.f Control Folder

The Control Folder allows users to route accounts to different Function States. This is standard functionality in all action windows.

5.19.3.g History Folder

The History folder enables users to enter history text that will be associated with the legal action history line.

Once the OK button is pressed and if the associated template has been defined as "Show to User", the document is presented in Microsoft Word with the Document Generation window in the top right corner. If the Print button is selected the users are returned to the window from which the legal action was initiated. If the Cancel button is selected the users are returned to the Initiate, Release, Force Close or Subsequent Legal Action window depending on what action was being performed when Word was opened. If the users do not have the appropriate authority to perform an action on the correspondence, the Document Generation window appears, containing the Route and Cancel push buttons. Pressing the Route push button routes the correspondence for supervisor review.

5.19.4 Initiate Legal Action Window

The Initiate Legal Action window enables users to take a new legal action. Te user can initiate a legal action from any window associated with a case. This window contains six tab folders: Recipient, In Re (In Regards), Debts, Printing, Control, and History Text. By clicking on the "tab" portion of the folder, the focus of the window will change to that folder. Recipient is the default folder.

Note: Only one recipient can be specified for a legal action; however, multiple carbon copy (CC) entries can be specified.

To Access the Initiate Legal Action Window:

1. From any non-action window associated with the case (for example, Main Case window), select Actions: Initiate Legal Actions from the menu bar. The Initiate Legal Action window is displayed.

5.19.5 Take Subsequent Action Window

Taking a subsequent legal action involves sending a document or group of documents for an existing legal action (for example, a partial release of a lien). Subsequent actions may only be initiated from the Legal Actions list or detail window.

Note: Only one recipient can be specified for a legal action; however, multiple CC entries can be specified.

To Access the Take Subsequent Action Window:

1. While in the Legal Actions list or detail window, highlight specific legal action and select Legal Actions: Take Subsequent Action from the menu bar. The Take Subsequent Action window is displayed.

5.19.6 Release Legal Action Window

Releasing a legal action involves dissolving a legal action. When a legal action is released, a document or group of documents is sent to the executing agency requesting that the legal action be released. A user can only release an existing legal action from the Legal Actions list or detail window.

Note: Only one recipient can be specified for a legal action; however, multiple CC entries can be specified.

To Access the Release Legal Action Window:

1. While in the Legal Actions list or detail window, highlight specific legal action and select Legal Actions: Release from the menu bar. The Release Legal Action window is displayed.

5.19.7 Force Closed Legal Action Window

Closing a legal action involves placing a legal action in a state (for example, written-off) that allows a case to be routed inactive. If a legal action is open, the case cannot be routed inactive. When a legal action is closed, the document is not sent to the executing agency requesting that the legal action be released. Users are then prompted with the following message: "Are you sure you want to close the legal action - (legal action type)?" A user can only close an existing legal action from the Legal Actions list or detail window.

Note: Only one recipient can be specified for a legal action; however, multiple CC entries can be specified.

To Access the Force Closed Legal Action Window:

1.   While in the Legal Actions list or detail window, highlight specific legal action and select Legal Actions: Force Closed from the menu bar. The Forced Closed Legal Action window is displayed.

5.19.8 Re-Open Closed Action Window

By highlighting a legal action that was forced closed on the Legal Actions list or detail window and selecting Legal Action: Re-Open Closed Action the user can return the legal action to an Open status.

To Access the Re-Open Closed Action Window:

1.   From the List of Legal Actions window or a Legal Actions detail window, after highlighting a forced closed legal action select Legal Actions: Re-Open Closed Action from the menu bar. The Re-Open Closed Action window is displayed.

5.19.9 Request Legal Action Window

The Request Legal Action window enables the user to request a new legal action. The user can request a legal action from any non-action window associated with a case. The window contains three folders: Type, Control, and History Text. By clicking on the tab portion of the folder, the focus of the window will change to that folder.

The text entered in the "description" field will appear on the List of History window.

To Access the Request Legal Action Window:

1.   From any window associated with the case, select Actions: Request Legal Actions from the menu bar. The Request Legal Action window is displayed.

5.19.10 Type Folder

The Type folder enables the user to select debtors, assets, and counties based on the legal type selected.
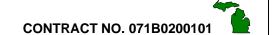
On the Type folder:

1.   Choose either Default Lien, County Lien, or Levy in the Legal Type Section.
2.   Choose Default Lien to select a debtor.
3.   Choose County Lien to select a debtor and up to three different counties in which to file liens.
4.   Choose Levy to specify debtor and asset associated with the levy request. The user can also check the "do-not auto lien" checkbox if automatic lien should not be done at the time the levy approval is received.

5.20 Viewing Correspondence

The user can view correspondence already sent to a debtor, enabling users to view the types of letters that were sent in the past, which can assist in judging the next action to take concerning this case.

To View Previously Sent Correspondence:

1.   Highlight the previously sent letter, then select History: Correspondence View.

2.   In the List of History window, highlight a letter that has previously been sent. Once highlighted, click on the Correspondence View icon.

5.21 Dispute Amount Window

The Dispute Amount action window enables users to record the amount that is in dispute. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window will change to that folder.

To Access the Dispute Amount Window:

1.   From any window associated with this case (for example, Main Case window), select Actions: Case Financial Adjustment: Dispute Amount from the menu bar. The Dispute Amount window is displayed.

5.22 Case Print Window

The Case Print feature enables the user to use special templates that print case data. These case print templates are used in conjunction with the Case Print menu item (listed under the File menu) when hard copy information for a particular case is desired. The case print information is only presented to the user if the associated case print template is defined to do so. Otherwise, the data is sent directly to the printer.

To Access the Case Print Window:

1.   From any window associated with this case (for example, Main Case window), select File: Case Print from the menu bar. The Case Print window is displayed.

Note: A history (CCH) line is not generated when a case print is performed.

After selecting the desired case print template in the window, selecting OK starts the process of formatting the document to be printed, pulling case data into the document, etc. When CACS-G is finished creating the document, it may or may not be displayed, depending on how the case print template is configured. Case print documents that are displayed appear in Microsoft Word, with the Document Generation window displayed, containing the Print and Cancel push buttons.

- Pressing the Print push button prints the case information to the local printer.
- Pressing the Cancel push button cancels the print action and returns to the previous window.
- The No. of Open Documents column displays how many document templates are currently open.

5.23 Change Case Status

The Change Case Status action window enables users that belong to the State of Michigan Personnel category to request the case status change. The new status and history text entered can provide status information to other MARCS users working the case, or cross-referenced cases.

To Access the Change Case Status Window:

1.   From any window associated with this case (for example, Main Case window), select Actions: Case Control: Change Case Status from the menu bar. The Change Case Status window opens.

5.24 Change Assessment Status Window

The Change Assessment Status window enables users that belong to the State of Michigan Personnel category to change the status of a particular assessment for a case. The new status and history text entered can provide status information to other MARCS users working the case, or cross-referenced cases.

To Access the Change Assessment Status Window:

1. From any non-action window associated with this case (for example, Main Case window), select Actions: Case Financial Adjustment: Change Assessment Status from the menu bar. The Change Assessment Status window opens.

5.24.1 Financial Folder

This displays assessments for the user to select one or multiple in which qualify for the change assessment status action.

> **Note:** In the Financial tab folder, only one line (assessment) can be selected at a time.

6.0 Supervisor Functions

This section contains supervisory functions based on the user's rights, and capabilities. All users might not have access to the following items.

6.1 Cancel Letter Window

The Cancel Letter action window enables users to cancel a letter that has yet to be sent. If no correspondence has been scheduled to be sent, the users are prompted with the message, "The selected document is not in Queued status." Once the response window is closed, focus is returned to the List of History or History detail window. Also, if the user does not have authority to perform the Cancel Letter action, the system displays the following message, "User does not have capability to cancel the selected document." After closing the response window, focus returns to the List of History or History detail window.

This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to the selected folder (History Text is the default folder).

To Access the Cancel Letter Window:

1. From the List of History or History detail window, only once a letter has been sent previously, highlight the letter sent history and select History: Cancel Letter from the menu bar. The Cancel Letter window is displayed.

6.2 State Management Window

The State Management window displays all existing states for the case (both primary and secondary). The window is a starting point to select and maintain secondary states for the current case. The user can also maintain both the primary and secondary states from the Actions menu.

To Access the State Management Window:

1. Select Case: State Management from the menu bar. The State Management window is displayed.

2. Selecting the MARCS icon for the State Management window is also an option.

Note: The State Management window does not disappear when a detail action window is displayed. It remains open on the desktop in the background to facilitate easy and immediate access to the user.

6.3 Collector Review Window

The Collector Review action window enables users to enter information based on the user's review of the case. Although this action indicates that the user has worked the case; the user is not required to route the case. This window contains two tab folders: History Text, and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Collector Review Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Collector Review from the menu bar. The Collector Review window is displayed.

6.4 Route for Review Window

The Route for Review action window enables users to manually route a case to be reviewed by a supervisor. The user prior to the supervisor review can also indicate OCA information. A case can be routed for review from this window or as part of another action or activity.

This window contains two tab folders: History Text, and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Route for Review Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Route for Review from the menu bar. The Route for Review window appears.

6.5 Time Schedule Window

The Time Schedule action window enables users to schedule manually a time during the day when a case will appear on a specific work list. This is done by entering a time after the current system time and before the next day. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.
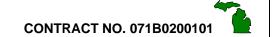
To Access the Time Schedule Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Time Schedule from the menu bar. The Time Schedule window appears.

Note: This action is only available while the users are in work list mode.

6.6 Review Miscellaneous Window

The Review Miscellaneous action window allows MARCS users who have supervisor level authority to perform case review. The user prior to the supervisor must have either routed the case to a review state or routed the case for review. The supervisor can then examine a case and decide how to proceed. The supervisor may or may not enter a review action and secondarily perform case routing, enter history text, set a follow-up date, or change responsible user. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Review Miscellaneous Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Review Miscellaneous from the menu bar. The Review Miscellaneous window is displayed.

Note: If the user does not have supervisor capability, the Review Miscellaneous menu item is not offered.

6.7 Payment Window (Supervisor Review)

The Payment review window allows the supervisor (a user with Supervisor authorization) to approve or deny plans that are pending review. In Supervisor Review mode, the Payment menu is disabled. The column information on the Payment window and all push buttons on the Payment window folders are also disabled. The only options available to the supervisor are the Approve, Deny, and Cancel push buttons on the Payment window. If the supervisor selects Approve, the window is closed and Approval Status is set to Approved. When the supervisor selects Deny, the window is closed and Approval Status is set to Denied, which means the payment will be sent back to the user who set up the payment for further updates and recalculation. If the supervisor selects Cancel, the window is closed and no action is taken. This
window contains four tab folders: History Text, Control, Case Info, and Payment. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder. To view descriptions on the Payment window and its folders, refer to the Payment window in Working Collection Cases (section 4.32 of this Exhibit).

To Access the Payment Window (Supervisor Review):

1. Highlight the desired row in the Collection List of History. If the Indicators column of the history list contains a "$", the row contains an Installment Agreement awaiting supervisor review.

2. Select the History: Review menu item. The Payment review window is displayed.

3. Clicking on the Review icon will also display the Payment review window.

The Payment window (Supervisor Review) contains the same tabs as the Payment window, with one exception, the Case Info tab, only shown on the Supervisor Review window.

6.8 Legal Action Review Window (Supervisor Review)

The Legal Action Review window enables the authorized user to review an existing legal action that has a status of 'Pending MARCS Approval'. The user can either 'Approve' or 'Deny' the legal action by clicking the appropriate buttons on the window. The window contains four folders: Type, Case Info, Control, and History Text. By clicking on the tab portion of the folder, the focus of the window will change to that folder.

To Access the Legal Action Review Window:

1. From the History Window, select any legal action row with a 'Pending Review' activity. Select History: Review from the menu bar. The Legal Action Review window is displayed.

2. From the History Window, select any legal action row with a 'Pending Review' activity. Then click on the MARCS icon.

6.9 Deny MARCS Actions

The deny MARCS action is a nightly process that will evaluate all MARCS pending legal actions. If the status or balance no longer justifies the pending legal action, then this process will deny the action and supervisors will not see

this action pending in the review status any longer. It provides relief to the supervisors' manual review that is required.

6.10 TEACH Window

The TEACH window allows the user to view a summary of collector statistics during a range of dates including Login/Logout time, case number, if previously worked, route to state, start and end times, and original states of cases that were worked. The users whose statistics that are allowed to viewed are determined by ones Capability Level.

The presentation of the list information is chronological. A typical list will have a Login, followed by a chronological list of cases worked, and then a Logout or Auto Logout. An Auto Logout occurs when the application exits automatically. If there is no Logout or Auto Logout before the next Login, an error has occurred whether it is a catastrophic computer error or a manual shutdown of the computer without a normal exit of the application.

Whatever case number row is highlighted on the top half of the window, details about the actions taken by the displayed user on the case will display on the bottom half of the window, and change dynamically when the highlight is focused on different case rows. If any activity description, party/outcome, descriptor, or letter ID data is saved by that debtor on the case highlighted, they will appear here.

To Access the TEACH Window:

1. Select Admin: TEACH from the main menu. The TEACH window is displayed.

6.11 Work List Browse Window

The Work List Browse window can only be invoked from the Work List Status window. This window enables users to view the case balances and current state on the work list.

To Access the Work List Browse Window:

1. From the Work List Status window, select Browse mode and double-click on the selected work list. The Work List Browse window is displayed.

To Open a Case:

1. From the Work List Status window, double-click on the selected work list. The Work List Browse window appears.
2. Double-click on the desired starting case. The Main Case window for the first case in the work list is displayed and the Work List Browse window disappears. For more information on the Main Case window, see the Working Collection Cases (section 4.4 of this Exhibit).
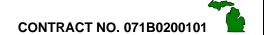
Note: Status is set to Worked anytime an "action" is taken associated with the case while working the case, or while in Update mode for a case that resides on the primary state's work list.

6.12 Change Case Status Review (Supervisor Review)

When a Currently Not Collectable (CNC) or Write-Off (WO) request is made on the Change Case Status window, the window will be reviewed for approval on the Change Status Review window. The Change Status Review window will display the Current Status, Current Reason, as well as the New Status and New Reason that was requested on the Change Case Status window. A supervisor may not change the New Status and New Reason fields, and must deny the request if the incorrect status or reason is requested.   This Window has three tabs, the Case Info, History Text, and Control Tab.

To Access the Change Case Status Review Window:

1. From the List of History window, highlight the Change Case Status request, and select from the menu History: Review. The Change Case Status Review window will appear.

2. From the List of History Window, highlight the Change Case Status request, and select from the tool bar icons, review.

7.0 Administrative

7.1 Change Responsible User Window

The Change Responsible User action window provides a means for user to change the responsible user to another user. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Change Responsible User Window:

1. While on the State Management window, click on the desired State Type item, and select State Management: Change Responsible User from the menu bar. The Change Responsible User window is displayed.

2. Select the Change Responsible User Tool Bar icon from the Main Case window.

7.2 Set Judgment Date Window

The Set Judgment Date action window enables users to set the Judgment date for the selected debt(s) on the list.

To Access the Set Judgment Date Window:

1. While in the List of Financial Information window, highlight one or more debts and select Financial Management: Set Judgment Date from the menu bar. The Set Judgment Date window is displayed.

2. Select Financial: Set Judgment Date menu item from the list of Financial Information window.

3. Select the Set Judgment Date Tool Bar item from the List of Financial Information window.

 Send Inactive Window

The Send Inactive action window enables users to route a case inactive (assuming nothing is preventing this action). If a case is prevented from being sent inactive, the case is routed to a pending inactive state (specified by management on the System Parameter tables). When a case is successfully sent inactive, updates to the case are no longer allowed and all debts and case/debt links are deleted. CACS-G can also perform this process offline.

A case can be sent inactive if:

> No secondary states exist for the case.
> No open legal actions exist for the case (Legal Action Status must be Closed or Released).
> No payment plan(s) exist for the case.
> No EFT exists for the case.
> No debt level balance is greater than zero.
> No hold periods exist for the case.

Note: The Control folder displays the inactive state, Follow-Up Date displays the current date, and responsible user is not applicable. All information on the Control folder is disabled.

If all of the conditions above exist, a case can be sent inactive. If users attempt to send a case inactive and the above conditions are not satisfied, a message window appears listing the unsatisfied conditions. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window changes to that folder.

To Access the Send Inactive Window:

1. From any non-action window associated with this case (for example, the Main Case window), select Actions: Case Control: Send Inactive from the menu bar. The Send Inactive window appears.

7.4 Manual Case Set Up Window

The Manual Case Set Up window is used for the purpose of reactivating cases that are inactive. In some instances, the case must be active before some functionality is available.

To Access the Manual Case Set Up Window:

1. From the file menu, select Access: Manual Case Set Up from the menu bar. The Manual Case Set Up window appears.

7.5 Change Status Review Window

The Change Status Review window is a user initiated action where the user has evaluated the assessment or account and it is believed the action to change the status is required. The supervisor has to approve or deny this request.

To Access the Change Status Review Window:

1. Highlight or select the appropriate History Text Line, on the List of History Menu. After the selection is made select History: Review. The Change Status Review window will appear.

2. Highlight or select the appropriate History Text Line, on the List of History Menu. After the selection is made, click on the MARCS icon, Review.

7.6 Request Case Split Window

The Request Case Split action window enables the user to request that debtors on a case be split into separate cases. This window contains two tab folders: History Text and Control. By clicking on the "tab" portion of the folder, the focus of the window will change to that folder.

Note: A transaction is sent to the accounting system when this action is complete (see Exhibit B).

To Access the Request Case Split Window:

1. From any non-action window associated with this case (for example, Main Case window), select Actions: Case Split from the menu bar. The Request Case Split window is displayed.

7.7 Merge Cases / Change Case Number Window

The Merge Cases/Change Case Number window enables the user to either merge the present case with another existing case or change the case number of the present case to a new case number. The window contains two folders: Control and History Text. By clicking on the tab portion of the folder, the focus of the window will change to that folder.

To Access the Merge Cases / Change Case Number Window:

1. Select Actions: Merge/Change Case from the menu bar. The Merge Cases/Change Case Number window is displayed.

7.8 Transfer to the Attorney General (AG) / Field Window

The Transfer to Attorney General (AG) / Field window allows users to transfer an account to the AG or the field.

To Access the Transfer to AG / Field Window:

> 1.   Select Actions: Transfer to AG/Field from the menu bar. The Transfer to AG/Field window is displayed.

The information displayed on Financial, Control, and History Text folders is the same as that of other action windows.

Once the OK button is pressed, account passes through edits internally and a transaction is sent to STAR (see Exhibit B). If it fails to pass the edits, error messages are generated.

7.9 Levy Source Window

The Levy Source window displays source information for banks, employers, or other. With this window, users can enter levy information for these entities.

To Access the Levy Source Window:

> 1.   Select Admin: Levy Source: New: Bank/Employer/Other to create a new levy source. Select Admin: Levy Source: Maintain to edit an existing levy source. The Levy Source window is displayed.
>
> 2.   When Maintain is selected, a search window opens. Here users can search for an existing levy source based on one of the following criteria:
>   - Levy Source Name, which can be conducted as a partial search;
>   - Routing Number, which is a full search;
>   - FEIN Number, which is a full search.

7.10 Levy Source Association

Users can associate a levy source to a debtor by inserting levy source information directly into one of the Asset Detail windows (Bank Information, Employer Information, or Other Asset Information) or by clicking the 'Search Master' button on one of the Asset Details windows. Clicking the 'Search Master' button displays the Levy Source Search window. After users have chosen a levy source, the source information will be inserted into the detail window, and users will be returned to the detail window.

See the sections on the Asset Detail windows for more information regarding these windows (sections 4.21 through 4.27 of this Exhibit).

7.11 Fee Verification Window

The Fee Verification window provides the ability to capture and modify the fees associated with liens.

To Access the Fee Verification Window:

> 1.   Select Admin: Fee Verification from the menu bar. The Fee Verification window is displayed

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Note: Depending on how the user profile is configured, they may or may not have appropriate authority to access this window

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Based on the county selected on the county dropdown, corresponding county costs are displayed at the bottom of the window and these are for display purposes only.

Also based on the county selected, the existing fee information is displayed on the window, which can be modified and saved, by clicking the "Send to Main" button. A user can transfer the existing fee information from the county table to county batch table where by information is sent to MAIN (see Exhibit B).

7.12 Case Archive Window

The Case Archive window enables users to view a list of valid Case Archive entries. The list is sorted by Debtor ID in ascending order, then Archived date in descending order.

To Access the Case Archive Window:

> 1.   Select Admin: Case Archive from the menu bar. The Case Archive window appears.

Note: This window is for display purposes only. Add, Change, and Delete actions are not allowed on this window.

7.13 Imaging Correspondence

Imaging Correspondence allows the user or users to view all correspondence associated with a particular case (also see section 1.022.1.k of Contract). The Imaging information will appear on the List of History Window.

Images are viewable within MARCS by highlighting the image and clicking the camera icon or file menu, view image. The image is a tagged image file (TIF) and represented on demand to the user.

7.14 Document Reassignment Window

To move an image to another account and/or case, or delete an image, users must have the proper authority.

To Access the Document Reassignment Window:

> 1.   On the List of History window, highlight the Core Received Activity line that either needs to be moved, or deleted.
>
> 2.   Once highlighted select the menu, History: Document Reassignment. The document reassignment window will appear.

7.15 Agent Monitoring Window

The Agent Monitoring window displays the user, phone number, IP address, login date/time of all users.

To Access the Agent Monitoring Window:

> 1.   Select the menu, Admin: Agent Monitoring. The Agent Monitoring window will appear.

7.16 Assign Correspondence Window

The Assign Correspondence window allows the user to assign correspondence to designated user for review. When a debtor sends in correspondence and it needs review for possible adjustment. This window has a drop down list of all the available options to select from. These are listed by department and person that will be assigned to conduct the review of the document(s). Once the person is selected, click OK to finish the transaction.

To Access the Assign Correspondence Window:

> 1.   On the List of History Window, select the imaged correspondence, and then from the file menu select History: Assign Correspondence. The Assign Correspondence window will appear.

7.17 Request Outside Collection Agency (OCA) Recall Window

The Request Outside Collection Agency (OCA) Recall window is designed to have an account that is assigned to an OCA returned to Collection Division for reassignment. This window contains a descriptor field, history text tab, and control tab.

To access the Request OCA Recall Window:

1. Select the menu, Action: Request OCA Recall. The Request OCA Recall window will appear.

7.18 Audit Report Window

The Audit Report window is designed to request a list of all the accounts a user had accessed for a specific date range. This window contains case number, user ID, date from and date to fields. If case number is blank, then it searches for all accounts a user accessed. When the data is entered and OK is clicked, a new window is presented with Collector Statistics and Collector History of all accounts that met the criteria.

To Access the Audit Report Window:

1. Select the menu, Action: Audit Report. The Audit Report window will appear.

8.0 Background Processes

8.1 Background Application Overview

The nightly background process can be broken down into two main components: interface posting and database analysis. The MARCS system needs to post the interface transactions from STAR to keep the two systems synchronized. The data that either updates, inserts (new), or deletes rows from tables in MARCS is used for reporting, organizing (State Assignment, Work List) and online displays. When Account Representatives are working an account, they need to have the most current update to that account to make decisions regarding legal actions (liens, levies, garnishments), sending letters, or collecting balances still due. Without the most current updates, Account Representatives are prevented from taking certain actions and thus are not able to collect effectively.

8.2 Computer Operations (Nightly Run)

Interfaces are processed each night by the MARCS system. There are many background processes that occur behind the scenes. Many occur during the nightly batch window. The MARCS computer room has several operators that run the nightly processes and monitor system performance. Operational software is in place to allow for scheduling of the background processes. A daily operational status report is used to track and report status of jobs on MARCS and distributed to responsible parties. Correspondence printing is also done as a part of the operational responsibilities.

8.3 Interface Overview

Several interfaces are sent to and from MARCS on a nightly basis (see Exhibit B). MARCS sends files to the State Treasury Accounts Receivable System (STAR), Customer Relations Management System (CRM), Michigan Administrative Information Network (MAIN) and Bankruptcy Claims Professional (BCP); furthermore, MARCS sends files to the State of Michigan's Originating Depository Financial Institution contractor and e-lien counties through STAR. MARCS takes in files from STAR, CRM, BCP, Originating Depository Financial Institution contractor (EFT), and e-lien counties. Additionally, BCP sends files directly to the State of Michigan Garnishment and Levy system (GAL) for accounts that have petitioned for bankruptcy.

8.3.1 STAR/MARCS

Maintaining synchronization between STAR and MARCS is crucial for the effective collection of state debts. STAR inputs the MARCS records and responds with the output that MARCS then takes in and posts as response to its requests. Details of these records are in Exhibit B. The MARCS input records are referenced as 'Z' records and 'S' records are STAR input records.

MARCS and STAR send interface transactions to each other on a daily basis. MARCS sends "S" transactions to STAR contained in the SRECORD file. STAR sends "Z" transactions to MARCS in four separate files. Sequence numbering systems have been developed to ensure the same records are not processed twice. All interface records sent to STAR (S records) and received from STAR (Z records) have corresponding sequence numbers. Both MARCS and STAR record the sequence numbers every time records are transferred between systems. If records received by either system do not have the corresponding sequence numbers expected, the records will not post in the system unless a system operator intervenes. The use of sequence numbers on all records ensures that records are neither skipped nor double posted by either system

The MARCS SRECORD file is created six times per week at a minimum and sent via file transfer protocol (FTP) Monday through Saturday. After STAR picks up the SRECORD file, they place an empty SRECORD file back in the directory to indicate that the records were retrieved. If there are multiple MARCS background runs prior to STAR picking up the SRECORD file, the new SRECORD file is concatenated / appended to the existing SRECORD file. The "S" record transactions are either created via online actions or as a result of background processing.

The four data files placed in the FTP directory by STAR (and their respective trigger files) are interrogated by an edit process that identifies fields that do not have the correct data format or valid values. These edits present a warning or an error depending on the severity of the problem.

There are currently twenty-four Z record posting programs. These programs use as their main input the edited valid record data files from the edits processes. Their purpose is to either update existing row entries in MARCS tables or to insert new rows to these tables. All of the posting programs use a concept called "checkpoint" allowing them to be re-runnable from the last successfully committed transaction if the process should abort before the end of the job.

STAR also acts as intermediary passing files between MARCS and other systems/entities.

8.3.2 MARCS to CRM Processing

MARCS creates a file of all new service requests related to tax account correspondence that are requested from both online and background. This file is sent to CRM so that the service requests can be worked by Treasury Customer Service Representatives. Process Messages report the number of records sent to CRM.

8.3.3 CRM to MARCS Processing

An update is sent to MARCS once the review of the correspondence has been completed on CRM. A history record is added to an account for each update received from CRM. If the response is received on an account where the image has been moved or deleted from the account in MARCS, the update will still post to the original account from where the request originated. However, if an account has been merged to a different account after the request has been sent to CRM, the response will post to the new account. Exhibit B contains the current versions of the interface files.

8.3.4 E-lien

MARCS has the ability to electronically submit liens through STAR to Michigan counties. Currently, there are two counties that participate in the e-lien process. Each night after an approved lien is posted to the MARCS system, if it is for one of the e-lien counties, an electronic record is created and sent to STAR for transfer to the county on the next business day. In turn, the county returns a response file of records with the recording information of the specific liens or lien releases filed with them. The counties have the ability to recreate a physical lien document if necessary. More information is in the e-lien section later in this document (section 8.7.1).

8.3.5 MAIN

The Michigan Administrative Information Network (MAIN) is the State of Michigan's accounting and purchasing system. It will print or electronically transmit warrant amounts for the payment of filing fees to county register of deeds offices. In order to file Lien documentation with any of the 83 county register of deeds offices, payment for each must accompany the documents. MARCS has a process that creates a file for transfer to MAIN that in turn allows for printing of the warrants to accompany the lien documents. This file is submitted on demand, usually weekly. Only State of Michigan personnel are allowed to use this process. More information is in the Lien section later in this document (see section 8.7).

8.3.6 Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) is an interface from MARCS to STAR and from STAR forward to the State of Michigan's Originating Depository Financial Institution contractor with debtors' ACH information for payments to be returned to STAR/MARCS. Any reversals or notice of change (NOC) records are returned to STAR/MARCS as well

8.3.7 BCP – MARCS

The Bankruptcy Claims Professional (BCP) application is used by the Contractor to maintain information on accounts where bankruptcy petitions have been filed. BCP sends data to MARCS for population of several windows for the purpose of immediate notification to the user that they are working on an account associated with a bankruptcy. Since any action on an account with a bankruptcy can have potential legal consequence, this interface is required.

8.3.8 BCP – GAL

This interface is a notification to the State of Michigan Garnishment and Levy (GAL) system that an account has had bankruptcy petitions filed. The GAL system is responsible for all levy and garnishments on income tax refunds, vendor payments, and/or wages. These legal withholdings are affected by bankruptcy filings and this interface is required.

8.4 Direct Check / Auto Pay

Auto Pay is a telephone payment for Business accounts and is used for an initial payment on an Installment Agreement or a one time only payment by phone. This type of transaction assists the collection effort in that the taxpayer does not have to write the check and mail it to us. Instead, the Contractor controls the timely creation of the check and sends it to the State of Michigan for processing, minimizing the time to get the payment on the account.

The transaction is created in MARCS and is downloaded to the **AutoScribe** system via daily batch processing. A physical check is generated and goes through the normal channel of being sent to Treasury's Receipts Processing Division for batching and then to the bank for payment. An electronic "CHK" payment file is created that is input into STAR via daily FTP processing to post the payments.   Since the paper checks generated in this process are sent to the bank, any subsequent returned checks are sent back to Treasury for manual processing. No electronic file is returned from the bank.

AutoScribe is a network-compatible, windows-based application that is designed to enter pre-authorized payments, produce paper checks, generate reports and create an electronic payment posting file that is taken into STAR.

Functions include:

- Paper Check Production
- Electronic "CHK" file for payment posting to STAR
- Reports **–** Authorized users can generate a series of standard reports for analyzing transaction histories. Report types include transaction details and summaries for pending, archived, or all transactions within the database. Some of these reports are utilized in quality assurance processing to ensure accurate batch and payment processing.
- User Activities Report **-** generated to view specific users and can be sorted by date range.
- Security **–** AutoScribe features per-user password protection, assignment of privileges, and "Pay to the order of" information to prevent checks payable to an unauthorized party. The System Administrator has full access to assign a particular security level for an agent. There is no generic security level for agents. Privileges are as follows:

- Data Entry – User can enter checks, view payors, and view debit information
- Data Editing – User can edit payor information and pending debit information
- Check Printing – User can print checks
- Reporting – User can view and print standard system report
- Administration – User can update preferences, payees, and agents. User can also purge archived payments.
- Security – User can add, modify, and delete users; and also print security report.

8.5 Skip Tracing

An automated file transfer process has been developed to have a credit reporting agency match MARCS data with theirs and determine matching demographic information. The matching data is sent back by file transfer and uploaded to the MARCS system. It is further compared with the MARCS data, and based on strict criteria, automated transactions are created and sent to STAR to update demographic information and allow for enhanced collections.

MARCS receives files daily containing new debts from the STAR system. New debts which do not have a Social Security Number and have been assigned a State of Michigan Agency Temporary Account (SCT) number by STAR are accumulated in a file, called the Skiptrace file. The Skiptrace file contains all the names and addresses for which Social Security Numbers are being requested from TransUnion. When the TransUnion request processing is ordered, the Skiptrace file is first cleansed to ensure that the request records will be more likely to return valid data from the contractor. TransUnion then sends a return file and MARCS attempts to create valid case number assignments from the return information provided. MARCS processes the file returned by the skiptrace company and determines whether or not to "Merge" or change the assigned number to the SSN numbers returned. There are four different scenarios that occur as follows:

1. **Merge case**

   If the returned data matches an existing debtor ID based on the social security number returned and that debtor is a match with the SCT debtor (names and dates of birth from both debtor records match), a merge case request will be generated and a history record attached to the case.

2. **Hard Match Error**

   If the returned data match an existing debtor ID based on the social security number returned, but it is not an acceptable match to the SCT debtor ID, no merge case is requested.

3. **No existing SSN debtor ID**

   If there is no existing debtor ID in MARCS based on the social security number returned no change case is requested.

4. **No social security number returned**

   If the returned information for a name/address request do not provide a social security number (this is called a "no-hit") the affected case in MARCS will be updated with a history record indicating a failed skiptrace attempt.

If TransUnion has matched some of the key fields of the cases sent but not all, then these cases are considered a "soft match" and a report is generated for further skip tracing efforts by MARCS to confirm what the true SSN might be. If TransUnion was not able to match the data sent to them then these are considered "soft matches" and another report is generated for further skip tracing efforts.

8.6 Imaging

MARCS contains images all correspondence received. This includes paper correspondence, faxes and email. A notification of an image pending review can be accessed via different methods depending on the user. Some of the notifications are interfaced with Treasury's Customer Relationship Management System (CRM).

8.6.1 Overview of Imaging

When paper correspondence is received, bar codes are generated and scanned with the document. These bar codes contain account information, as well as the type of document received. This information is used as an index for the scanned document. Background processing routes the account to a work queue for Contractor staff. It also creates a MARCS history entry to show the document was received and scanned. Priority correspondence is sorted by the Contractor mail room personnel per Collection Division criteria. Some priority correspondence is imaged and physically delivered to the recipients.

Contractor staff reviews the document by next casing in a work list, and view the scanned image online to determine next action. MARCS users view the associated images via the List of History window.

Contractor staff sends a transmittal via e-mail to the effected State Division or Agency indicating a document needs to be reviewed. This transmittal contains the location of the TIF file (in the form of a URL), which is needed to access the image for review.

All MARCS users with applicable security have the ability to view scanned images online by highlighting the appropriate history line and selecting the Image View option from the History dropdown list. The image will be displayed using Microsoft Office Document Imaging software that is provided with the Windows operating system. Users can open multiple documents for their review, and they have the ability to print those documents if desired.

8.6.2 Images of Faxes

Faxes are received via fax software. The fax software acts as a fax machine. It receives the fax, formats the fax as a .tif file, attaches the file to an email and forwards the email to a designated recipient. The software allows one recipient per incoming fax phone number.

Contractor personnel review the display of the .tif attachment via the Microsoft Document Imaging Software and forward the email to the appropriate recipient. The recipient can also view the .tif attachment and take appropriate action. This may include forwarding the email to the Contractor's Mailroom so that the attachment can be attached to an account as an image. Mailroom personnel will save the .tif email attachment to the Image Directory on the network. These images are uploaded to the MARCS file server daily along with any images that have been scanned from paper during the day.

8.6.3 Images of Email

E-mails are saved as Word documents and users have access to these documents via history lines on the List of History window. Overnight processing captures the index information written to the MARCS table online. It processes this information in the same manner as faxes to create a history line and link the e-mail document to the MARCS account.

The e-mail documents functions in the same manner as images. Users have the ability to view the e-mail Word documents via the icon or menu option currently labeled "Image/E-mail View". They also have the ability to Move and Delete e-mail documents, as well as Generate Transmittals for those documents.

8.6.4 Image Notifications Sent to CRM

Correspondence imaged on MARCS that requires review by Treasury Customer Contact Division is updated in the Customer Relationship Management System (CRM). This is accomplished by generating a file that CRM processes to create a "contact log" and/or "service request" that is assigned to the appropriate division within CRM. Correspondence is viewed on MARCS, but the resolution will be entered in CRM and sent to MARCS to be systematically updated.

8.6.5 MARCS to CRM Processing

MARCS creates a file of all new service requests related to tax account correspondence that are requested from both online and background and forwards it to CRM for updating. Process Messages report the number of records sent to CRM.

8.6.6 CRM to MARCS Processing

An update is sent to MARCS once the review of the correspondence has been completed on CRM. A history record is added to an account for each update received from CRM. If the response is received on an account where the image has been moved or deleted from the account in MARCS, the update will still post to the original account from where the request originated. However, if an account has been merged to a different account after the request has been sent to CRM, the response will post to the new account.

8.7 Liens

A lien is a legal right or interest that a creditor has in another's property, lasting usually until a debt or duty that it secures is satisfied. Typically the creditor does not take possession of the property on which the lien has been obtained. For reference in this document, a lien is a legal document that is recorded in the State of Michigan county register of deeds office or the Secretary of State office. This document secures the States interest in any real and/or personal property the debtor may have. It is important to file liens timely as the date may allow the state lien to take precedence over other liens filed later.

MARCS provides a variety of functions related to liens. The first of which is on-line edits for any requests made by users. Second, any pending requests are again edited by the background process, and based on pre-defined criteria, can be systematically denied or allowed to continue in the approval process. Also, there is continued processing depending on the approval received from the STAR system (see Exhibit B). MARCS will create an electronic file for any counties that have agreements to send and receive the lien files electronically. The system will also generate liens requests systematically if prior liens have been previously approved.

After a lien is requested, it is reviewed for approval by authorized State of Michigan employees. If approved, MARCS sends a lien request electronically to STAR for further approvals. When all approvals are complete and all STAR edits are passed, the approved lien is printed and an electronic record is returned to MARCS. MARCS posts the approved lien transactions and counts are added to the specific county lien totals.

The lien and/or any lien release recording information is required to be maintained in MARCS. It can be either manually entered or electronically updated. This information is crucial as it is required to exist prior to issuing a lien release or a reinstatement. MARCS is also responsible for creating lien release documents, and reinstated lien documents, when STAR determines a release or reinstate is necessary.

8.7.1 E-liens
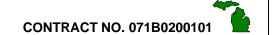
Certain counties have agreements with Treasury to receive and send lien documents in an electronic form instead of hard copy printed liens. Upon receipt of the electronic file, the counties will return a file that confirms the receipt of each record within the file by supplying the recording information for each electronic lien or release. The recording information must be on file with the State of Michigan in order for Treasury to issue a release of the lien, or extend the original lien. MARCS will not create any records for county lien files without an approval record from STAR. STAR will pick up the file and FTP to each county.

The county will electronically file the lien information and update the same file with recording information, and FTP back to STAR. STAR, in turn, will combine all the individual county files and create one file to FTP back to MARCS. MARCS will process the file and update the appropriate lien record with recording information.

See Exhibit B for interface layouts for county e-liens.

8.7.2 Previously Approved Lien (PAL)

If a lien has already been approved on an account, the system will monitor the account for any future debts that may be assessed and ensure automatic request of liens to secure the State of Michigan's interest on the new debts. By automating this process, it allows the State of Michigan to continue to secure its interest on an account with prior approved liens and allows for user to pursue other higher value activities to continue the collection processes.

Other Lien related activities supported by MARCS follow:

- Certificate of Withdrawal
- Certificate of Specific lien release or Partial lien releases
- Certificate of non-attachment
- Amended lien
- Corrected lien
- Reissue or Extended lien
- Reinstated lien
- Re-releasing lien

8.7.3 Recycling Lien Releases

If the original lien recording information has not been returned from the county, an approved lien release cannot be printed and sent back to the county for recording. MARCS has an automated process that will continue to evaluate approved lien release records until the recording information has posted. This process ensures that the release will be sent to the county immediately after the recording information has been updated on the MARCS system.

8.7.4 Fee Verification Window

The counties charge a fee for recording lien related documents. MARCS has a county lien fee window available for this purpose. MARCS automatically totals the amount due for each county and allows for additional editing by the users prior to weekly submission of the fee records to MAIN. A separate set of windows are used by authorized State of Michigan users that oversee the transfer of lien documentation between the state and the counties. A weekly file is approved by these select users and sent to MAIN for the fees due to the counties. After this is processed, the lien documents and the warrants are matched up and mailed to the county register of deeds offices. The amounts must match exactly; otherwise, the entire filing for that county can be rejected and must be resubmitted.

This process creates the TC88 file to be sent via FTP to MAIN for lien county fees. There are three reports created that detail the fees that will be charged by the counties to the State of Michigan for filing or releasing of liens. These reports are used by MAIN to issue warrants (checks) to the counties.

8.8 Computer Based Training (CBT) – Knowledge Presenter Professional

The State of Michigan requires a CBT system that allows for varied techniques to ensure participants, who may be in multiple locations, master the material presented. The system should provide for the ability to "test" and allow the ability to store, track and report on scores of "tests".

MARCS (CACS-G) comes with an extensive Computer-Based Training (CBT) Program. The CBT is Windows based and gives instructions to users on the functionality of the system. It provides the user with hands-on exposure to the system and its features. Varied techniques are available as follow:

- Animation – Animation of system processes and workflows to illustrate how the system handles different types of cases and how users interact with the system.
- Simulation – Extensive job and business simulations are built into the CBT course. Simulations can exist in the tutorial sections of the course as well as in the case studies and workshops.
- Multiple question types – Many different types of questions range from standard multiple choices to full simulation of system functions.

The current CBT system on MARCS is not being utilized due to access constraints by off-site users.

The current CBT, non-MARCS software product in use is, 'Knowledge Presenter Professional' produced by Knowledge Presenter. 'Knowledge Presenter Professional' is a user-friendly CBT tool that can be created by an individual that does not possess a technical background.

Knowledge Presenter Professional has a single user license. This software is not available with a 'network' license.

Knowledge Presenter Professional – product information follows:

- Import files from Microsoft PowerPoint, Microsoft Excel, Microsoft Word, Macromedia Flash, the clipboard, or standard text files.
- Export text to Microsoft Word document.
- Access over the Internet, intranet, CD-ROM or DVD. No plugins required (however, when the user includes multimedia in Flash, Quicktime, Real, and/or Windows formats, the appropriate plugin will be required).
- Built-in Learning Management System can be run online (in IIS web servers), and data is recorded to a database.
- Optimized screen-capture process streamlines capturing software screens.
- Wizards available to automatically create presentations or activities.
- Categorize objects into groups - groups can be hidden or shown as required. Allows user to create one lesson with multiple scenarios.
- Check spelling using Microsoft Word spell checker without leaving Knowledge Presenter 2004 Professional (requires Microsoft Word).
- Search and replace feature.
- Capture a sequence of single screens, and import them into Knowledge Presenter 2004 Professional with 'mouse down' and 'mouse over' screens automatically identified
- Completed activities can be compiled into the built-in Learning Management System, for the delivery of a complete managed learning environment.
- Track user errors. Determine how many clicks before an incorrect response is assumed. Determine action to take or message to display should the user make an error.
- Create random question, multiple-choice quizzes
- Display current score, current possible score, total score, or a complete summary of objectives and results on screen in the activity.
- Students are tracked on a name and password basis
- Records, times, dates, scores, status, total time in course, times lessons attempted, individual objectives within each lesson or quiz
- All interactive material can be made available as printable material.
- User designed CBT available to multiple users at a time
- Password protect any exported lessons
- Tutorials
- Hands on exercises
- Free eLearning manual
- Email support
- Online Interactive Tutorial
- Online Hands on Exercises
- KnowledgeBase Access
- Online Technical Articles Access
- Learning about eLearning Online Manual
- Email lessons for analysis
- Access to new templates
- Access to Beta releases.

8.9 Responsible User

The Responsible User function is used to assign accounts to particular users and to build work lists based on the assignments. The work lists allow employees to manage accounts assigned to them.

8.9.1 Contractor Use of Responsible User Concept

The current MARCS application provides a process that will tie commissionable financial transactions to the user who took the most recent action that resulted in receipt of the transactions. The process assigns a "Responsible Collector" to the financial transaction and is able to produce daily reports showing the results.

In addition to manual online updating of the Responsible Users, a parameter driven background process has been developed to allow for systematically changing Responsible Users when employees leave employment or are transferred.

8.9.2 State Use of Responsible User Concept

In order to provide better use of MARCS by Field personnel, several enhancements have been made to current online processing. For each Field office, a new Function Area and Function States within that Area were created. Although each office maintains their functional area manually, there are many rules that are used by the State Assignment process to route the accounts systematically.

A "Responsible User Account Inventory" window is used to display information for all accounts assigned to a particular Responsible User. Users are only able to obtain information for themselves, or one of their employees. This window has a dropdown for Responsible User. This dropdown only displays those entries the user has security clearance to view. If the user is not a Responsible User themselves, nor do they have any employees who are Responsible Users, this dropdown will be empty.

There is also background processing to interface Responsible User information with STAR (see Exhibit B). MARCS creates a history line when receiving Responsible User notifications from STAR. A notification is sent to STAR any time a State Responsible User is added, changed, or deleted in MARCS (either through online or background). This is a 'one-way' notification; in that STAR will not send an approval response back to MARCS.

8.10 Quality Assurance (QA) Monitoring

Quality Assurance Monitoring of Contractor's agents activity is currently done remotely by both the Contractor and State of Michigan analysts to ensure accuracy of all components in the handling of collection accounts. Standards are set and agents are scored on various categories such as: updating of demographics, assets, the ability to negotiate, appropriate phone etiquette, capability to problem solve and utilize the system in the most efficient manner. The Contractor needs to provide the ability to remotely monitor without the subject agent being aware of the monitoring (see section 1.022.3.a of Contract).

The monitoring of Contractor agents includes both "voice" and "visual" of agent real time activity. For screen visual of Contracted agent activity, the monitor accesses the NetOp application and selects the agent for review. The monitor can then view screens accessed, key strokes and mouse activity taken in real time by the agent.

For voice monitoring of the Contractor agent, the monitor accesses "Meridian MAX Version 9 (Network) to identify an available agent and the telephone extension in use. Then the Meridian telephone is dialed with appropriate agent number to begin the session. This process enables the monitor to "hear" both sides of the conversation between the agent and debtor. The "live" call is then scored by the monitor for management and agent review.

The monitoring of State of Michigan agents is primarily visual with the monitor accessing the account to review activity on the MARCS system after the call is concluded. The ability to "hear" the call is accomplished by using CentreVu® and Service Observe. The monitor also has the ability to record the call using additional recording hardware, "MyVoice Pro Recorder". Recorded calls are retained until scoring is completed and utilized in performance improvement process, then discarded.

NetOp Remote Control version 9.0 - application used by the Contractor on MARCS for remote monitoring as well as the ability to configure workstations from another workstation. There are two components:
- The Host Personal Computer (PC) – Installed to allow remote access to the workstation.
- The Guest PC – Installed on Manager and information technology (IT) staff workstations to allow remote management by IT staff and monitoring by managerial staff.

Meridian MAX Version 9 - Meridian Terminal Emulator by Northern Telecom is the application utilized by the Contractor for voice monitoring.

Meridian telephone – Telephone utilized by the current contractor.

CentreVu® Supervisor Version 6, Lucent Technologies software - software that generates call center reports utilized by Collection Division. This software monitors the operations of and collects data from the switch. The data is then organized into reports that assist with the management of the call center facilities and personnel.   The reports may be displayed in real time, printed immediately, stored in a file, or scheduled for printing at a later time. The data tracked includes caller identification, service parameters, internal call transfers, outgoing calls, and agent calls. The supervisor uses an "output window" available on the desk top that is a visual of the call activity.

Service Observe – A feature available with G3V4 or later switches that gives a voice terminal (telephone set) user the ability to monitor the treatment a call receives.   This is used by State of Michigan monitors who log into the telephone with selected agent extension to monitor calls.

MyVoice Pro Recorder - The recording equipment used by State of Michigan monitors. State of Michigan monitors do not utilize Meridian MAX 9 application.

8.11 Bankruptcy Claim Professional (BCP)

Bankruptcy Claim Professional (BCP) is a client server application that has many different menu functions that allow for entering, modifying, viewing, and reporting of data. Included are; the inputting of a case, the updating of case information, creating and maintaining assessment information, calculating amounts to include on claims, routing and maintaining routing dates, maintaining multiple name/addresses on accounts, and the ability to identify cross referenced accounts. This system can combine bankruptcy claims, print claims with multiple copies using digital signature and create reports for accounts that require follow up.

Users manually insert new bankruptcy case information and update existing case records in the BCP application. There are real time interfaces from BCP application to MARCS and a daily interface to the Garnishment and Levy system (GAL) (see Exhibit B). However, changes made to accounts via MARCS online are not sent to BCP.

8.11.1 Real Time Interface from BCP to MARCS

Bankruptcy Posting - The purpose of this interface is to automatically populate the MARCS bankruptcy window with information from BCP during daily processing. This data is sent to MARCS and reflected in the MARCS bankruptcy tables, visible to the user in the MARCS Bankruptcy window.

Upon notification that a claim exists, the user adds information to the BCP system on the "Debtor Tab" to begin the claims processing (information such as name, address, creditors, trustee, court etc.). These cases are tagged for upload to MARCS. Adding the information to MARCS is necessary so that agents are aware of bankruptcy and the impact to the collection process.

8.11.2 Claim Processing

In BCP, the user selects accounts and assessments using the "Taxes Tab" then use an "Import" button to assign them for inclusion to the claim.   The selected assessments are downloaded from MARCS and a merge application is run to insert new assessments or update existing ones in the existing bankruptcy database for claims processing.

Next, in BCP, the user accesses the "calculate" function for assessments that are selected. The calculate function then goes through a complex set of rules that are hard coded into the BCP system that result in the assignment of the type of claim and the appropriate tax, penalty and interest amounts.

The user has the ability to create and route the account to appropriate tax divisions for review and consideration of new assessments to be added to the claim. The system retains routing information so that the authorized user can create a report for follow up of the routed claim to its completion.

The system provides the ability to print multiple copies of a claim with the copy recipient designated that includes the authorized "sworn summary of claims digitized signature".

When the claim is printed, the account number format is truncated to meet State of Michigan and federal guidelines regarding privacy of social security numbers (SSN) (see section 1.022.9 of Contract).   Account numbers including SSN are fully visible to the authorized user of BCP.

8.11.3 BCP System Administrator Function

The designated "System Administrator" can perform the following functions:
- User Activity
- Claims routing
- Claims routing follow up
- Mailing labels
- Creation of flat file that is sent to Treasury Audit Division.

8.11.4 Reporting

Various reports can be generated by an authorized user's request. Reports that contain user activity, claim follow up routing information, and a separate process that creates an audit file utilized by another Treasury Division used for audit selections. The ability to create mail labels is also included in the reporting function of the system.

This audit file is currently requested monthly and essentially contains a data "dump" of the information on the BCP system at the time it is requested. This file is sent as text file via email to another Treasury Division and applicable information is added to the "Data Warehouse" to be utilized in audit review processing.

8.11.5 Other Functionality

Report History - The system provides the ability to identify activity taken on accounts, similar to the "TEACH" function in MARCS (see section 6.10 of this Exhibit). In the "Report" tab the user selects "History" and enters applicable user information and dates for review.

Calculator – allows the ability to simulate import of assessment by manually entering information

Enter Assessments - The BCP system also has the ability to manually enter assessment that may not be on STAR. This function can be utilized to facilitate testing of the system.

8.11.6 Daily Interface from BCP to Garnishment and Levy System (GAL) (See Exhibit B)

There is a daily BCP to GAL interface file. This file contains all active bankruptcy cases present within the BCP application.

This file contains such information as the account number, case number, file date, and the bankruptcy chapter and is sent via FTP for updating the GAL system.

8.12 Specified Attorney General (AG) Payments Processing

This is a new process that at the time of writing the RFP is in the functional design phase. It will be in production June of 2009. The new window will display a combination of selected data from the bankruptcy system (BCP) and MARCS for accounts in bankruptcy status. It will allow users to apply Attorney General (AG) payments to specific debts with collection claims in accordance with federal/State of Michigan guidelines. It will take the place of outdated software (FileMaker Pro) that is currently being utilized to perform this function. As this process is still being developed, only the requirements are listed below:

- Capture and display claim information from Bankruptcy Claim Pro (BCP) – including type of claim, amount of each type of claim, assessments included in each claim (some assessments can be split into multiple claim types)
- User input fields for data needed by either AG or Treasury that cannot be retrieved from BCP
- Ability to input payment received and define how that payment will be applied (assessment number, tax amount, penalty amount, interest amount)
- Maintain original batching information received with each payment
- Maintain original amount of claim/assessments, as well as current amount (this is the amount remaining after applying the specified payments – this is not the current amount on MARCS/STAR)
- Security to grant inquiry and/or update access to this new window based on MARCS user id

- Capture specified payment information input online by users and create payment posting file to STAR. This must include original batching information received with payments
- Create monthly, annual, bi-annual, and on-request reports for AG office
- Convert existing data from FileMaker to MARCS
- Electronic exchange of "flyer sheet" data from AG to Treasury
- Electronic exchange of bankruptcy data to AG from either BCP or MARCS
- Search capabilities (Batch #, Check #, Court Docket # , AG Case #, and Last 4 digits of SSN/FEIN, Payment amount)
- Security edits (TMU)
- Ability to input/define payments received and maintain original payment batching information. (Applied to – claim, short payments, adjustments, direct payments)
- Maintain original amount of claim/assessments as well as the current amount of claim/assessments as debits/credits/payments apply
- Payment posting file (utilizing existing CHK file format)
- Nightly interface between BCP and MARCS.

Reporting Requirements
- Global reports (4 reports) – reporting to meet AG needs
- "Lansing" specific reports (3 reports)
- "Detroit" specific reports (3 reports).

8.13 Predictive Dialer

The MARCS system has the ability to create outgoing call campaigns by use of a predictive dialer system. Currently, the SER Call Processing System (CPS) is used by the current contractor. Based on pre-identified criteria several different campaigns are downloaded from the MARCS system to the dialer each night. The next business day, the dialer attempts to contact the selected accounts.

This system allows for screen pops that the agent receives when there is a connection made. The agent assigns a code that indicates the disposition of the contact made when the call has ended.

This system allows for administrative and manager functions to monitor and edit the campaigns. The Collection Division's Do Not Call list [non-Federal Communications Commission (FCC) Do Not Call list] is integrated with this system and any matching numbers are not passed to the dialer or removed the account from the current campaign.

There are several online/real-time reports and campaign reports that can be run by the managers of this system to allow for dynamic management and trend management.

Recent enhancements are being made to have cellular phone numbers identified and potentially allowed for removal from the dialer download based on FCC rules.

8.13.1 Dialer Backfeed

This process updates MARCS with the unsuccessful results from the Predictive Dialer results. If the Predictive Dialer was not able to use any of the phone numbers supplied for a case to successfully contact a case then the unsuccessful results are used to update phone statistics and queue the case for State Assignment. This process is not part of the nightly background cycle but rather is run prior to the normal background cycle.

8.14 Western Union

The MARCS/STAR system accepts payments from Western Union, Quick Collect. This is a payment option offered in lieu of credit card payments which are not currently accepted by the MARCS/STAR system. At the taxpayer/debtor request, Western Union generates an electronic transaction to a modem that is attached to a dot matrix printer, where checks are printed for daily processing. Paper checks are created on paper stock provided by Western Union.

In addition, the Contractor receives an email transmission from Western Union with attachment - "Daily Quick Collect Client Recap". This document is printed and matched to the checks created as part of batch balance quality assurance.

The checks are counter signed by Collection Division administration, manually batch balanced for data entry and subsequent posting to Collection ledgers. The checks are delivered via courier to the Receipts Processing Division (see section 1.022.10 of Contract).

Each affected account is manually updated on the MARCS system to identify specifics related to payment processing.

8.15 User Security

User security levels in MARCS are divided into three major categories as follow (also see section 8.23 of this Exhibit and section 1.022.9.h of Contract):

- Database security, the user's ability to access the application database and the rights the user has to update the tables in the database.
- Application Security, the user's access to the various modules in the MARCS application and the ability to perform certain actions within the application.
- Correspondence Subsystem Security, known as Doc Gen and is a separate executable, uses the "letter class" for its security instead of the capability. Each document template and document group is assigned to a class.

The database permissions for the various MARCS tables will vary by type of table. Code tables will allow the user only read permission, while all other application tables will be configured with read and write (update) permission. Database access to the MARCS application tables are controlled from within the application itself.

The first security distinction is driven by the designation of State of Michigan or non-State of Michigan employee which is determined and entered at the time a user is initially set up. Secondly, a capability level category is assigned to the user, from "inquiry only" through "systems administrator level". Third, even more specific security options can be selected such as access to specific action windows, even down to the field level within the window. In addition, bank account information can be restricted as described later. Finally, access can be limited to certain functional areas, letters, and images. This security functionality allows for very specific, customized options for individual users.

The user level security is driven from a separate application called Table Maintenance Utility (TMU). The system administrator utilizes the TMU for many different table updates within the MARCS system. One table is the User table which allows for security level and access rights to many different windows. Depending upon the level and window combinations, some of the security is down to the field level. This utility also allows for user code and password resetting as needed.

Recent changes addressed security of the debtor bank account number wherever it exists on the account, and the need to suppress or limit viewing of debtor bank account numbers without limiting a collector's performance. These changes included modifying the current TMU User security for viewing banking information and adding a 3rd level of 'Limited' access, which includes:

- Masking the debtor bank account number when an EFT is created or viewed.
- Allowing an authorized User to modify an Installment Agreement (IA) where an EFT exists.
- Allowing an authorized User to view History Text while maintaining debtor security by masking the debtor bank account number.

An additional User security level was created in TMU to restrict the viewing of specific image documents that contain, or have the potential to contain debtor bank account information.

8.16 Document Management System

The MARCS Document Management System is a multi user document repository system available through the use of an Internet Browser. This is an online intranet utility that is independent of the MARCS system and allows users with specified accesses to select reports housed within this system. Documents are archived and stored by month for each calendar year. When documents have been uploaded into the system, users are able to locate the documents using the hierarchy folder structure. Users can view and print selected documents as well as download selected documents to their desktop or to another location. The format of the files stored here is variable and allows for the user to pre-identify the format based on their specific need. Routine formats are Excel, Access, Word and Adobe.

Users of the MARCS Document Management System have a unique user name and password to log into the system. Upon accessing the application, the user has the ability to download, view and print reports they have access to. Users do not have the ability to edit, move, copy, delete or replace an existing report within the application; additionally, access control is maintained for all users.

The System Administrator of the application has the ability to add new users, edit current users, grant user access to specific reports, add report groups, create and modify report folders, create statistical reports pertaining to use of the application, as well as the ability to change system parameters.

The Document Browser is the main method which users have to navigate the hierarchical folder structure and to find and use documents that have been uploaded into the system. Certain actions on documents can be carried out such as sorting the displayed order and viewing or downloading a document.

Users also have the ability to download a file to their desktop or to another location that allows the user to save the file in a location where they have read/write access.

8.17 Strata™

Strata™ is an algorithmic scoring system that evaluates all the accounts on the MARCS database and scores them with a number indicating the probability of collecting the debt. The work list background process contains commands that sort the order of a work list based on the System Administrator's selection and on the parameters selected. The work list then is built to allow users to process the accounts that were targeted by Strata as needing additional manual work to ensure the best potential collection of the debt(s).

Strata™ is a tool for assisting management in making critical policy and procedural decisions. Risk is assigned by Strata™ using the concepts of risk modeling and behavior scoring. By estimating the level of risk, management can determine who should be contacted by staff and who should follow less intensive workflow.

Also, Strata™ allows for testing of new collection strategies, then can monitor accounts and evaluate results. This advantage of Strata™ allows for continuous refinement of the scoring process.

Through the automation of the review of the risk to an account and by estimating the risk, it allows the user to focus on collection of the debt instead of evaluation of the collectibility. This also eliminates inconsistencies of the subjective user review of accounts and allows for equitable treatment of accounts as a whole.

8.18 Correspondence Templates

CACS-G's Document Generation Facility (Doc Gen) supports requests for outgoing correspondence for both online and background requests. State of Michigan forms are used as templates which allow them to be populated with proper account data. Through use of Microsoft Word users can view a letter before it is mailed, make corrections, and add data in prescribed areas within the letter. Macros within Microsoft Word are engaged to retrieve data from an account and populate the letters. Standard Word templates are used for MARCS production of correspondence to debtors and third parties.

A separate application is a part of the MARCS baseline and used to maintain the documents used by the MARCS system. This involves an integrated template that uses macros within Word to call key elements within the MARCS database to populate specified fields within the template. With this application, new versions of letters can be created and implemented based on the cutover date. One advantage of this application is the recreation of the original document mailed to the debtor or third party. The re-presentation of the exact copy of the letter that was sent is vital to the user when contact is made from the addressee so both parties can be looking at the same document. Also, this is vital when debtors need letters resent or for dispute documentation.

Currently there are approximately 4,000 letter templates and with 400 active templates. The inactive templates are used for historical re-creation.

8.18.1 Online

Users are able to initiate correspondence using MARCS online (see section 5.17 of this Exhibit). It allows for a dropdown of the most current template of a letter, selecting a debtor address, manually keying a different address and selecting print options all prior to the preview of the letter presentation in Word. At that time the user is given additional options to modify demographic information and other specified fields. Only letters the user has been assigned via security are available in the dropdown menu. Users have two groups of letters; direct letters and letters needing supervisor approval. Direct letters are able to be initiated and sent by the user. Letters requiring supervisor review are able to be created, but then routed to a supervisor for final approval.

8.18.2 Background

There is a batch process that identifies selected accounts that meet requirements for certain letters to be generated and sent to debtors. This process generates approximately 4,000 letters a night and another 10,000 on a weekly run.

All letters support embedded images of the State seal or various signatures of Treasury's designated representatives. MARCS can re-create these documents with the same seal or signature that was attached at the time the document was originally generated.

Documents that require local printing for immediate use must have any graphics, such as the state seal or signatures loaded to the local printer to meet this requirement.

8.19 ACD (Automated Call Distributor)

MARCS is integrated with a Nortel phone system.   MARCS has Desktop Integrator software to allow the interface between the MARCS application and the Computer Telephony Interface (CTI) phone server. This software runs in a minimized mode on the users' personal computer (PC). The Automated Call Distributor (ACD) allows incoming calls to be distributed to predefined staff members.

Upon login to MARCS, users are automatically logged into their agent phone console. Users can also manually log into the phone console using an assigned Agent ID. When a connection is made to the switch, outbound calls can be made within MARCS using the ACD Interface window. When exiting MARCS, the user is automatically logged out of their agent console and disconnected from the switch, thereby not allowing incoming or outgoing call capabilities.

Administrative phones are always active and do not require a login. This is controlled using the MARCS local INI settings. The automatic login routine will only execute if the extension number in the MARCS local INI file (cacsgl.ini) is populated.

After a successful connection has been established with the switch, MARCS allows access to the Nortel ACD Interface Window. The window displays when the user double-clicks on a phone number from the Debtor, Contact or Potentially Liable window. The baseline window functionality allows the user to automatically disconnect a call or record the call results to the MARCS Phone Statistics table. Disconnecting a call from the Nortel ACD Interface Window will disconnect from the switch.

8.19.1 Telematch Request/Upload

This process extracts cases from specific Function States, specified by system parameters, to request telephone numbers from the telematch contractor/service. A file is created and sent to the service. The upload process takes the return file from the service and posts the telephone numbers to the accounts if any matches were found.

8.20 Death Records

Death Certificate Search, a web-based search application, is used to provide the death record data from the Michigan Department of Community Health. It consists of searching and retrieving death records by both onsite and off site users.

The Michigan Department of Community Health provides an updated CD each quarter containing year-to-date death record data. This data is then loaded into a separate application and appends the data to the existing data.   Both on-site and off-site authorized users can access this application to confirm the death of taxpayer/debtor.

Onsite users are users located at the Contractor's location. Off-site users are users located at various offices and field offices.   The application can only be accessed within the State of Michigan Network. It is not accessible outside of the State of Michigan Network. A link from the MARCS intranet site is available to onsite users to access the death record online application.   Off-site users utilize their Internet Web Browser and enter the death record online application address.

A link to the Death Certificate Search application is available from the MARCS intranet web-site. Selecting the link will initiate the application and display the login screen in an Internet browser window. The IP address of the application can also be used to access the application.

Security access requires a User ID and password to access the death record online application. One User ID and password is set up for all users to use. Multiple logins of the one User ID is allowed enabling multiple users to access the application at the same time. Users are be given the death record online application address, User ID and password on an individual basis and under the authorization of their Manager or Supervisor.

Upon accessing the application, the user has the ability to search the data by a single field or multiple fields. Search results will be returned to the user in a list format. Functionality exists that allows the user to sort the returned results by any one of the output column headers. This is the preferred method for search as the information is considered "verified" by Department of Community Health and therefore accurate.

8.21 Payment Features

MARCS contains baseline functionality relating to Payment Features and Electronic Funds Transfer (EFT), including an EFT window and background processing that manages the EFT status. Taxpayer/debtors are encouraged to pay accounts using an electronic withdrawal from checking or savings accounts. EFT set up requires verbal/written authorization, the bank account number, and the 9 digit routing number for the applicable financial institution.

EFT transactions are generated daily for cases meeting the proper criteria. EFT transactions can be set up for one time payments, consecutive payments as part of Installment Agreement or as single payment for an amount different from the regularly scheduled Installment Agreement (IA)   (used when debtors agree to pay a newly created assessment in addition to maintaining their existing IA). MARCS sends transactions to the banking institution. When the bank receives and processes the transaction, the bank sends payment to STAR electronically. STAR applies the payment to the proper case(s) and sends a payment updated transaction to MARCS for processing.

8.21.1 TEL PAY

A TEL PAY is set up for Individual accounts and used for an initial "payment by Phone". Tel Pay is built into the MARCS software and is an "electronic transaction" that follows National Automated Clearing House Association (NACHA) guidelines. This type of payment is used only for personal accounts and can be done multiple times as long as the taxpayer debtor calls in and authorizes each individual payment. A TEL Confirmation letter is automatically sent to the taxpayer by the system if only one payment is scheduled. If a series of payments are scheduled, and the first payment in the series is TEL, both the TEL Confirmation, and EFT Authorization letters and forms are automatically generated by the system.

8.21.2 Auto Pay

Auto Pay is a telephone payment for Business accounts and used for an initial payment by phone. Auto Pay is built into the MARCS software and the transaction downloads to the AutoScribe system via batch processing. A physical check is generated and goes through the normal channel of being sent to the Treasury Receipts Processing Division and then to the bank for payment. An electronic file is also created that is utilized to post the payments to STAR based on the user set up in MARCS.   Since the paper checks are processed through the bank, any returned checks are sent back and manually processed along with other paper payment processing.

8.21.3 EFT Payment

An EFT Payment that represents subsequent ongoing electronic payments requires a completed and signed EFT authorization form. EFT payments can not be processed unless the authorization form is received back and scanned into the MARCS system with the appropriate document type.   These documents are reviewed and the EFT is activated on MARCS. If all payments scheduled are EFT, and EFT is not yet activated, an EFT Authorization letter will be sent. If all payments scheduled are EFT and EFT has been activated, no letter will be sent.

Accounts with EFT are identified with the following status:
- Pre-Note – pre-notification is sent to the bank to test or ensure that banking information is correct. (Account number, Routing number, Customer Name, Bank Name, Check number)
- Active – is displayed on the EFT window when written authorization is reviewed and the EFT has been activated by an authorized Collection staff member.
- Open – is displayed on the EFT window after verbal authorization is given on an individual or business account.
- Suspended – Displayed on the EFT Window when the payment cannot be processed for several reasons or when there is a verbal or written request from the taxpayer to stop EFT payments.

Current functionality allows for display of 6 months worth of previously sent payments in the prescribed window as well as the ability to view and edit future detail rows for theIA.

Current functionality allows third party Tel Pay's to be set up on personal accounts only. MARCS will not allow EFT-Type transactions without proper data in the IA or Pay-Plan windows.

MARCS will automatically suspend an EFT arrangement if the account due balance is zero, for returned check, after a one-time only payment over the phone and for certain status changes such as correspondence received or litigation.

8.21.4 EFT Edits

The users are presented with "pop ups" during the set up of the EFT which allows for any edit to be handled at the time of set up, while the taxpayer is on the phone or processing mail requests. Edits are present in MARCS that prevent set up of an EFT in the event of a returned check within the last six months (exception bank error returned checks), or when an IA or pay plan window is not populated as Active, and when open bankruptcy or computed assessments exist.

Edits are in place that prevent setting up of an EFT for greater than the amount due on the account.

Current functionality prevents duplicates from being generated and allows for display of 6 months of previously sent payments in prescribed window as well as the ability to view and edit future detail rows for the IA.

Edits exist in the system that suppress or limit banking information without limiting collectors' performance. Due to federal guidelines that mandate the safe treatment of sensitive information such as bank account numbers, sensitive information is removed or masked to assist in protecting a debtor's bank account number from unauthorized use. An additional level of security exists. Limited access includes the following:

- Masking the debtor bank account number when EFT is created or viewed
- Allowing an authorized User to modify an IA where EFT exists
- Allowing an authorized User to view History text while maintaining debtor security by masking the debtor bank account number.

MARCS background processing will create three separate files relating to EFT as follow (see Exhibit B):

- EFT File – contains all EFT and pre-note transactions scheduled for the current date (or any date in the past). This file is sent to STAR, and then forwarded to the bank.
- Payment Posting File – contains the payment transactions that will post the EFT payments to STAR.
- A Reversal File – to correct an EFT file that was sent to the bank and processed in error. The reversal file contains the same records as the original EFT file, as well as special code to credit the money back to the account instead of debiting it.

STAR receives and forwards to MARCS any NOC (Notice of Change) transactions that are received from the bank. NOC transactions can include NSF (Non-Sufficient Fund) notifications, corrected routing or account numbers, and EFT rejections (i.e., account closed). MARCS processes these transactions and:

- Creates a History line
- Provides reason code of the NOC
- Provides any text displayed on the NOC (i.e., if the NOC was for an incorrect account number; the text would display the correct account number).
- Suspend the EFT.

A table contains NOC Reason Codes and a brief explanation of each code for NOC transactions. Complete explanations are displayed in the MARCS help system. When the NOC is received, background processing will match the reason code with the text and display that text with the history line.

8.21.5 Reporting

Daily reports are generated that identify NOC (Notice of Change) accounts that need manual review and correction in order for payment to post correctly.

Daily reports are generated for manual review of accounts that require suspension of the transaction.

8.21.6 EFT Monitoring

EFT Monitoring is a nightly program that monitors EFT plans on MARCS. It suspends EFT plans that have been paid off, where the case no longer has a collectible status, where the case has been frozen, or the Installment Agreement (IA) is no longer active. It will also create a queue of data for creation of an EFT file of Pre-Notes or EFT requests and update the date when the next EFT request should be sent.

8.21.7 Security

Users can perform all functions related to EFT based on security levels identified on user profile.
Users have the ability to:

- Create an EFT
- Activate an EFT
- Reset an EFT
- Un-suspend an EFT
- Delete an EFT.

Only authorized users are able to view banking information that is retained on the accounts.

8.21.8 EFT File Create

The EFT File Create is a nightly program that uses the data queued from the preceding EFT process, and places it in a table. This process creates an EFT file that is passed to STAR via FTP to be passed along to the ACH (see Exhibit B). This process also creates a PYT (payment) file that STAR uses to post to cases and which is also picked up by STAR via FTP.

8.21.9 EFT Reversal

EFT Reversal is a program that will create a reversal file from a previously created EFT file. This would be necessary only if a previous EFT file had been processed twice by the bank or deemed to be sufficiently in error to warrant a reversal of the entire EFT file sent previously.

8.21.10 EFT Modify Effective Date

EFT Modify Effective Date is a program that allows re-sending of EFT requests (Pre-Note and Standard EFT Requests) that were not processed by either STAR or the Bank.

8.21.11 EFT Bank Update

AUTOSCRIBE will periodically send an updated file of Banks with routing numbers that are used by EFT processing. EFT Bank Update is a program that will truncate the Bank table and place the new data into it.

8.21.12 Miscellaneous

An EFT flag is displayed on the account once the EFT is active. This flag is removed when the EFT is no longer active.

8.22 Resolution Rates

Account Resolution is measured using "Collection Events" in MARCS. A Collection Event starts each time a debt is assigned to the Contractor. The date of the assignment makes each Collection Event unique. The activity for all Collection Events that are started in one calendar month is tracked over the life of the event and reports provide analysis of the results. Seven reports are used to track resolution rates and are produced and distributed to management on a monthly basis.

Definition of the following will allow the Collection Division to track account resolution:

"Collectible Period" for each Collection Event is defined as either:

- 6 months from the start of the certain student loan debts, or
- 12 months from the start of the Collection Event for in-state, active business accounts, or
- 18 months from the start of the Collection Event for all other accounts.

"Collectible Minimum" is defined as:

- $100 for the sum of all debts on the account.
- Zero for the balance of an individual debt.

"Resolution Percentage" compares the number of "Resolved" Collection Events to the sum of "Open", "Resolved" and "Unresolved" Collection Events.

A Collection Event ends when one of the following conditions occurs:

- The Collection Event is "Resolved."
- The Collection Event is "Dropped" from the inventory due to actions taken by Treasury. (See definition below.)
- The Collection Event becomes "Unresolved" because the "Collectible Period" expires and the Collection Event has not been "Resolved."

A separate process is run monthly to update Collection Event records with the current status.

A new monthly process will evaluate each record in the Collection Events table and update it with its present status as of the end of each month.   Each record will be evaluated for the duration of its collectible period, based on the assignment to the Contractor. If the monthly status has not changed for a record, the current status will be recorded for the month. If the monthly status has changed for a record, the new status will be updated for the monthly status. At the end of the collectible period, the final monthly status is recorded and the record is closed.

The monthly process saves the Collection Event Status as of the end of each month, and retain up to eighteen separate statuses', so data is available for trending reports.

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The monthly process evaluates each "Open" and "Resolved" Collection Event record and update with the current CES (Collection Event Status) as follows:

1) The status of an "Open" Collection Event is changed to "**Resolved**" if one of the following conditions exists within the specified collectible period:

   a) the current collectible balance for the sum of all debts on the account is reduced below $100, OR
   b) the balance of the associated debt on the account reaches zero, OR
   c) an active Installment Agreement (IA) exists, OR
   d) an active Promise exists for the account, OR
   e) the account exists in a levy follow-up status, OR
   f) the account exists in the education wage garnishment follow-up status.

2) The status of an "Open" Collection Event is changed to "**Dropped**" if the assessment is removed from the Contractor's responsibility and the debt is within the specified collectible period.

   Otherwise, the status of an "Open" Collection Event is changed to "**Unresolved**" if the following conditions are met within the specified collectible period:

   a) the status changed to a currently not collectible status, OR
   b) the status changed to a write off status, OR
   c) the status changed to an Attorney General (AG) status, OR
   d) the collectible period has expired

3) The status of a Collection Event is changed from "Resolved" to "**Open**" inventory if the following conditions exist within the specified collectible period:

   a) the payment is returned or reversed, OR
   b) the debt net balance is greater than zero, OR
   c) the debt is no longer on an active IA, OR
   d) the account is no longer on an active Promise, OR
   e) the account does not reside in a levy follow-up status, OR
   f) the account does not reside in an education wage garnishment status.

8.23 System Administration

The MARCS system is supported by two tandem applications, TMU and DOC GEN. TMU is a table maintenance utility that allows the system administrator to use GUI windows to update various system parameters (also see section 8.15 of this Exhibit). This utility is used to establish and maintain user security and re-set passwords. DOC GEN is the document generation utility that is used by system administrators to create and maintain Microsoft Word correspondence templates.

8.24 Test Environments

Various test environments exist in a development server. There are several QA (quality assurance) test environments mainly used by the information technology (IT) business analysts to troubleshoot, test enhancements, and research help desk requests. The QA environments are small, non-production sized environments. There are also several production size test environments and their use is similar to the QA environments, but also allow for queries and reporting. System administrators also have test environments that allow for testing of State Assignment enhancements, template development, troubleshooting and testing. A smaller training database also exists.

8.25 Database Compare

This process has been developed to have an extract from STAR to be compared with the MARCS data (see Exhibit B). Any data that does not match is reported on and the account number of the mis-matched data is placed on a file. This file is used as input to STAR and a refresh of various data is in turn sent back to MARCS for updating. This process brings mis-matched data back into synchronization. This process is scheduled to run quarterly.

8.26 Commission

Financial transactions are evaluated each night for potential qualification of commission fee. If a transaction is determined to be commissionable, a record is written to a separate table used to calculate the monthly commission report for the State of Michigan. This report is subject to State of Michigan audit prior to authorization of payment.

EXHIBIT B
REQUIRED INTERFACE RECORDS AND LAYOUTS

STAR is the accounts receivables system. MARCS is the collection information system. Currently, both work in tandem to collect debts. Posting requirements for all the following records are set at a 24 hour timeline. In order for STAR to post the records created by the contractor, all the interface records must be received by STAR by 9am each day, with runs Monday through Friday. Note that records generated from the contractor on Friday will need to be received by STAR on the following Monday by 9am. This data and field values are subject to change at the States discretion.

1.   STAR input record file layouts.
    a.   S2 – TELEPHONE NUMBER CHANGE NOTIFICATION
    b.   S203 – RESPONSIBLE USER NOTIFICATION
    c.   S4 – WAGE LEVY SOURCE ADDRESS UPDATE
    d.   S6 – APPORTIONMENT NOTIFICATION
    e.   S7 – FINAL DEMAND DATE UPDATE
    f.   S8 – NEW ACCOUNT SETUP (FOR ACCOUNT SPLIT)
    g.   S501 – LIEN REQUEST RECORD
    h.   S502 – LEVY REQUEST RECORD
    i.   S503 – ADDRESS CHANGE RECORD
    j.   S504 – REQUEST ACCOUNT NUMBER CHANGE/MERGE
    k.   S505 – REQUEST INSTALLMENT AGREEMENT
    l.   S507 – INSTALLMENT AGREEMENT DEFAULT NOTIFICATION
    m.   S508 – LEVY RELEASE NOTIFICATION
    n.   S509 – RESPONSIBILITY CHANGE REQUEST
    o.   S510 – ACCOUNT/ASSESSMENT STATUS CHANGE REQUEST(CNC/WRITE OFF)
    p.   S511 – LIABLE/POTENTIALLY LIABLE UPDATE
    q.   S513 – ACCOUNT SPLIT REQUEST
    r.   S514 – WARRANT REQUEST
    s.   S10 – INITIATED LIEN
    t.   S11 – LIEN RELEASE
    u.   S998 – INTERFACE ACKNOWLEDGEMENT
    v.   S999 – INTERFACE CONTROL TOTALS
2.   STAR output record file layouts.
    a.   Z1 – FINANCIAL TRANSACTION POSTING
    b.   Z3 – COMMENT UPDATE DATE POSTING
    c.   Z4 – LEVY SOURCE ADDRESS UPDATE
    d.   Z9 – LIEN RELEASE OR REINSTATE NOTIFICATION
    e.   Z200 – NEW ACCOUNT POSTING
    f.   Z201 – ACCOUNT UPDATES
    g.   Z202 – ACCOUNT/ASSESSMENT STATUS/RESP UPDATE
    h.   Z203 – RESPONSIBLE USER NOTIFICATION
    i.   Z501 – LIEN APPROVAL/DENIAL RECORD
    j.   Z502 – LEVY APPROVAL/DENIAL RECORD
    k.   Z503 – ADDRESS UPDATES
    l.   Z504 – ACCOUNT # CHANGE/MERGE APPROVAL/DENIAL
    m.   Z505 – INSTALLMENT AGREEMENT APPROVAL/DENIAL
    n.   Z507 – INSTALLMENT AGREEMENT DEFAULT NOTIFICATION
    o.   Z508 – LEVY RELEASE RECORD
    p.   Z510 – ACCOUNT/ASSESSMENT STATUS CHANGE APPROVAL/DENIAL
    q.   Z511 – LIABLE/POTENTIALLY LIABLE NOTIFICATION
    r.   Z513 – ACCOUNT SPLIT APPROVAL/DENIAL
    s.   Z514 – WARRANT NOTIFICATION
    t.   Z600 – NEW DEBT POSTING
    u.   Z601 – PURGE NOTIFICATION
    v.   Z603 – DEBT UPDATES
    w.   Z604 – SECONDARY ASSESSMENT POSTING/UPDATE
    x.   Z999 – INTERFACE CONTROL TOTALS

3.   Miscellaneous files.
- a.   EFT payment records file layout. -PYT file
- b.   EFT banking records file layout. -EFT file
- c.   EFT NOC records file layout. -NOC file
- d.   Image record file layout.
- e.   CRM(Siebel) record file layouts.
- f.   eLien record file layouts.
- g.   Trans Union record file layouts.
- h.   Data refresh record file layout.
- i.   BCP to MARCS.
- j.   BCP to GAL.
- k.   County Lien Fees to MAIN.
- l.

1.   STAR INPUT RECORD FILE LAYOUTS.

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USER FILE NAME S2		RECORD TYPE TELEPHONE NUMBER CHANGE			
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS		SECTION		
FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR FOR HOME AND/OR WORK PHONE NUMBERS ARE UPDATED.

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('TEL')	X (3)	3
15	18	RECORD ID CODE ('S2')	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	51	HOME PHONE NUMBER	9 (10)	10
52	61	WORK PHONE NUMBER	9 (10)	10
62	296	FILLER	X (235)	235

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| USER FILE NAME | RECORD TYPE |
| S203 | Responsible user change/update |

| DEPARTMENT | DIVISION | SECTION |
| DEPT. OF TREASURY | COLLECTIONS | |

| FILE IDENTIFIER | FILE MEDIA | LABEL TYPE | RECORD SIZE | BLOCKING FACTOR | BLOCK SIZE |
| TC02777D01 | DISK | STANDAR | 296 | 100 | 29600 |

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐		MARCS to STAR interface for Responsible user updates
☒ SEQUENTIAL ☐ RELATIVE		

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('RSP')	X (3)	3
15	18	RECORD ID CODE ('S203')	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	46	RESPONSIBLE USER	X(5)	5
47	296	FILLER	X (250)	250

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USER FILE NAME S4	RECORD TYPE WAGE LEVY SOURCE ADDRESS

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR WHEN AN ACTIVE WAGE LEVY HAS AN ADDRESS UPDATED.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('LVS')	X (3)	3
15	18	RECORD ID ('S4')	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	71	NAME SOURCE	X (30)	30
72	72	FOREIGN INDICATOR	X (1)	1
73	102	ADDRESS LINE – 1	X (30)	30
103	132	ADDRESS LINE – 2	X (30)	30
		ADDRESS LINE – 5		

133	151	CITY	X (19)	19
152	153	STATE	X (2)	2
154	162	ZIP	X (9)	9
163	168	LEVY NUMBER	9 (6)	6
169	296	FILLER	X (128)	128

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USER FILE NAME S7	RECORD TYPE FINAL DEMAND DATE UPDATE		

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR WHEN A FINAL DEMAND DATE IS UPDATED. THE JUDGMENT

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('FDL')	X (3)	3
15	18	RECORD ID (S7)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
42	52	SECONDARY ACCOUNT ID	X (11)	11
53	59	ASSESSMENT NUMBER	X (7)	7
60	67	FINAL DEMAND DATE	9 (8)	8
68	75	JUDGEMENT DATE(ZEROS)	9 (8)	8
76	76	TRAN INDICATOR ("F")	X (1)	X (1)
77	296	FILLER	X (220)	220

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USER FILE NAME S8	RECORD TYPE NEW ACCOUNT SETUP (FOR ACCOUNT

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ⊠ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS NEEDED WHEN AN ACCOUNT SPLIT(S513) IS

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('ADD')	X (3)	3
15	18	RECORD ID (S8)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REO	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REO	9 (8)	8
42	71	ACCOUNT NAME	X (30)	30
72	101	ADDR LINE 1	X (30)	30
102	131	ADDR LINE 2	X (30)	30
132	161	ADDR LINE 3	X (30)	30
162	191	ADDR LINE 4	X (30)	30
		ADDR LINE 5		

192	210	CITY	X (19)	19
211	212	STATE	X (2)	2
213	221	ZIP	X (9)	9
222	222	FOREIGN ADDRESS INDICATOR	X (1)	1

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USER FILE NAME S8	RECORD TYPE NEW ACCOUNT SETUP (FOR ACCOUNT

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS NEEDED WHEN AN ACCOUNT SPLIT(S513) IS

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
223	230	EFFECTIVE ADDRESS DATE	9 (8)	8
231	234	ADDRESS SOURCE ('XXXX')	X (4)	4
235	242	BAD ADDRESS DATE (ZEROS)	9 (8)	8
243	252	HOME PHONE NUMBER	9 (10)	10
253	262	WORK PHONE NUMBER	9 (10)	10
263	264	OWNER SHIP CODE (SPACES)	X (2)	2
265	268	BUSINESS TYPE CODE (SPACES)	X (4)	4
269	273	TRANSACTION NUMBER (ZEROS)	9 (5)	5
274	281	BATCH DATE	9 (8)	8
282	286	BATCH NUMBER	9 (5)	5
287	294	BIRTH DATE	9 (8)	8
295	296	FILLER	X (02)	02

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USER FILE NAME S501	RECORD TYPE LIEN REQUEST RECORD	
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR D	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND USED TO REQUEST LIENS AND LIEN EXTENSIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('LNM')	X (3)	3
15	18	RECORD ID ('S501')	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	52	SECONDARY ID	X (11)	11
53	53	AUTO LIEN INDICATOR	X (1)	1
54	54	REAL PROPERTY INDICATOR	X (1)	1
55	55	PERSONAL PROPERTY INDICATOR	X (1)	1
56	56	REAL/PERSONAL PROPERTY INDICATOR	X (1)	1

57	62	COUNTY CODES (OCCURS 3 TIMES)	9 (2)	6
63	73	LIEN-AMT	9(9)V99	11
74	81	APPROVED-BY	X(08)	8
82	84	LIEN REASON CODE	X(3)	3
85	85	REISSUE	X(01)	1

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USER FILE NAME S501	RECORD TYPE LIEN REQUEST RECORD				
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS		SECTION		
FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDARD	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND USED TO REQUEST LIENS AND LIEN EXTENTIONS.

86	94	LEGAL ACTION NUM	9(09)	9
95	101	DOCUMENT NUMBER (ORIGINAL LIEN#)	9(07)	7
102	121	ORIG LIBER NUM	X(20)	20
122	141	ORIG PAGE NUM	X(20)	20
142	168	ORIG FILING NUM	X(27)	27
169	176	ORIG FILING DATE	9(08)	8
177	296	FILLER	X(120)	120

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USER FILE NAME S502	RECORD TYPE LEVY REQUEST RECORD

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND USED TO REQUEST LEVIES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('LVM')	X (3)	3
15	18	RECORD ID (S502)	X (4)	4
19	25	RECORD SEQUENCE NO	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	52	SECONDARY ID	X (11)	11
53	53	LEVY SOURCE TYPE (PRI, IT BOTH)	X (1)	1
54	54	LEVY TYPE (BANK, WAGE, OTHER)	X (1)	1
55	84	LEVY SOURCE NAME	X (30)	30
85	85	FOREIGN COUNTRY INDICATOR	X (1)	1
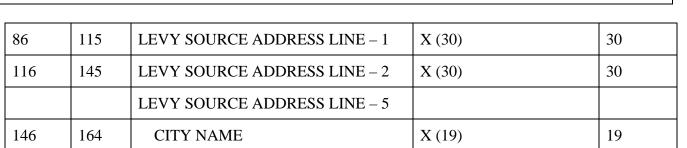
86	115	LEVY SOURCE ADDRESS LINE – 1	X (30)	30
116	145	LEVY SOURCE ADDRESS LINE – 2	X (30)	30
		LEVY SOURCE ADDRESS LINE – 5		
146	164	CITY NAME	X (19)	19
165	166	STATE CODE	X (2)	2

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| USER FILE NAME | RECORD TYPE |
| S502 | LEVY REQUEST RECORD |

| DEPARTMENT | DIVISION | SECTION |
| DEPT. OF TREASURY | COLLECTIONS | |

| FILE IDENTIFIER | FILE MEDIA | LABEL TYPE | RECORD SIZE | BLOCKING FACTOR | BLOCK SIZE |
| TC02777D01 | DISK | STANDAR | 296 | 100 | 29600 |

| FILE IORGANIZATION | SEQUENCE | REMARKS |
| INDEXED ☐ ⊠ SEQUENTIAL ☐ RELATIVE | | THIS RECORD IS SENT TO STAR AND USED TO REQUEST LEVIES. |

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
167	175	ZIP CODE	X (9)	9
176	183	APPROVED-BY	X(08)	8
184	186	LEVY REASON CODE	X(03)	3
187	189	LEVY REASON CODE	X(03)	03
190	296	FILLER	X(107)	107

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USER FILE NAME	RECORD TYPE
S503	ADDRESS CHANGE RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02777D01	DISK	STANDARD	296	100	29600

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT TO STAR AND IS FOR ADDRESS AND POWER OF ATTORNEY UPDATES.

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ("ADR")	X (3)	3
15	18	RECORD ID (S503)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	50	SPOUSE ID	9 (9)	9
51	53	ADDRESS TYPE	X (3)	3
54	57	SOURCE OF ADDRESS	X (4)	4
58	58	FOREIGN COUNTRY INDICATOR	X (1)	1
59	88	ADDRESS LINE – 1	X (30)	30

89	118	ADDRESS LINE – 2	X (30)	30
119	148	ADDRESS LINE – 3	X (30)	30
149	178	ADDRESS LINE – 4	X (30)	30
		ADDRESS LINE – 5		
179	197	CITY NAME	X (19)	19

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USER FILE NAME S503	RECORD TYPE ADDRESS CHANGE RECORD	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS FOR ADDRESS AND POWER OF ATTORNEY UPDATES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
198	199	STATE CODE	X (2)	2
200	208	ZIP CODE	X (9)	9
209	216	EXPIRATION DATE (POA'S ONLY)	9 (8)	8
217	224	BAD ADDRESS DATE	9 (8)	8
225	232	EFFECTIVE DATE	9 (8)	8
233	296	FILLER	X (64)	64

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| USER FILE NAME S504 | RECORD TYPE REQUEST ACCOUNT NUMBER |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02777D01 | FILE MEDIA DISK | LABEL TYPE STANDAR | RECORD SIZE 296 | BLOCKING FACTOR 100 | BLOCK SIZE 29600 |

| FILE IORGANIZATION | SEQUENCE | REMARKS |

INDEXED ☐

☒ SEQUENTIAL ☐ RELATIVE

THIS RECORD IS SENT TO STAR AND IS FOR ACCOUNT NUMBER AND/OR MERGE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ("TRN")	X (3)	3
15	18	RECORD ID (S504)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
		NEW ACCOUNT IDENTIFICATION		
42	42	NEW BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
43	51	NEW ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
52	52	NEW SAC/TAX INDICATOR	X (1)	1
53	65	DRIVER'S LICENSE NUMBER	X (13)	13
66	296	FILLER	X (231)	231

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USER FILE NAME S505		RECORD TYPE REQUEST INSTALLMENT AGREEMENT

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS FOR INSTALLMENT AGREEMENT REQUESTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('IAR')	X (3)	3
15	18	RECORD ID (S505)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	52	ACCOUNT AMOUNT CURRENT	S9 (9) V99	11
53	61	PROPOSED PAYMENT AMOUNT	S9 (9)	9
62	70	APPROVED PAYMENT AMOUNT	S9 (9)	9
71	71	FREQUENCY OF PAYMENT PLAN	X (1)	1
72	79	FIRST PAYMENT DUE DATE	9 (8)	8

80	87	NEXT PAYMENT DUE DATE	9 (8)	8
88	95	APPROVED-BY	X(08)	8
96	106	INITIAL PAYMENT AMOUNT	S9 (9) V99	11
107	296	FILLER	X(190)	190

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USER FILE NAME S507	RECORD TYPE INSTALLMENT AGMT DEFAULT		

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION	

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS FOR INSTALLMENT AGREEMENT DEFAULT OR

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('IAD', 'IAC')	X (3)	3
15	18	RECORD ID (S507)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	296	FILLER	X (255)	255

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USER FILE NAME S5-08	RECORD TYPE LEVY RELEASE

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02234D06	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 378	BLOCKING FACTOR 60	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS Value of Areas = 167 Areasize = 240 Input to Daily Merge.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE	X (3)	3
15	19	EMPLOYEE ID	X (5)	5
20	22	TRANSACTION REASON	X (3)	3
23	39	STATION NAME	X (17)	17
		MISCELLANEOUS TRANSACTION DATA		
		ACCOUNT IDENTIFICATION		
40	40	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
41	49	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
50	50	SAC/TAX INDICATOR	X (1)	1
51	53	TRANSACTION TYPE ("LVR")	X (3)	3

54	57	RECORD ID (S508)	X (4)	4
58	64	RECORD SEQUENCE NUMBER	9 (7)	7
65	72	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
73	80	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
81	86	LEVY NUMBER	9 (6)	6

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USER FILE NAME S5-08	RECORD TYPE LEVY RELEASE

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02234D06	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 378	BLOCKING FACTOR 60	BLOCK SIZE 22680

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS Value of Areas = 167 Areasize = 240 Input to Daily Merge.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
87	335	FILLER	X (249)	249
336	343	TRANSACTION DATE	9 (8)	8
344	349	TRANSACTION TIME	9 (6)	6
350	352	TRANSACTION SEQUENCE	9 (3)	3
353	363	TRANSACTION-TOT-AMOUNT	S9 (9) V99	11
364	369	TRAN-SER-NO	9 (6)	6
370	378	FILLER	X (9)	9

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| USER FILE NAME S5-09 | RECORD TYPE CHANGE OF RESPONSIBILITY REQUEST |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02234D05 | FILE MEDIA DISK | LABEL TYPE STANDAR | RECORD SIZE 378 | BLOCKING FACTOR 60 | BLOCK SIZE 22680 |

FILE IORGANIZATION

☐

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☒ SEQUENTIAL ☐
RELATIVE

SEQUENCE

REMARKS

Value of Areas = 167
Areasize = 240

Input to Daily Merge.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT/NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE	X (3)	3
15	19	EMPLOYEE ID	X (5)	5
20	22	TRANSACTION REASON	X (3)	3
23	39	STATION NAME	X (17)	17
		MISCELLANEOUS TRANSACTION DATA		
		ACCOUNT IDENTIFICATION		
40	40	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
41	49	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
50	50	SAC/TAX INDICATOR	X (1)	1
51	53	TRANSACTION TYPE	X (3)	3

54	57	RECORD ID (S509)	X (4)	4
58	64	RECORD SEQUENCE NUMBER	9 (7)	7
65	72	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
73	80	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
81	87	ASSESSMENT NUMBER	X (7)	7

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USER FILE NAME	RECORD TYPE
S5-09	CHANGE OF RESPONSIBILITY REQUEST

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02234D05	DISK	STANDAR	378	60	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		Value of Areas = 167 Areasize = 240 Input to Daily Merge.

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
88	91	REQUESTED RESPONSIBILITY (7NNN, 4NNN)	X (4)	4
92	335	FILLER	X (244)	244
336	343	TRANSACTION DATE	9 (8)	8
344	349	TRANSACTION TIME	9 (6)	6
350	352	TRANSACTION SEQUENCE	9 (3)	3
353	363	TRANSACTION-TOT-AMOUNT	S9 (9) V99	11
364	378	TRAN-SER-NO	9 (15)	15

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USER FILE NAME	RECORD TYPE
S510	ACCT/ASSMT STATUS CHANGE

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02777D01	DISK	STANDAR	296	100	29600

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT TO STAR AND IS FOR STATUS CHANGE REQUESTS SPECIFICALLY FOR CURRENTLY NOT

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('CNC')	X (3)	3
15	18	RECORD ID (S510)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
42	52	ADJUSTED GROSS INCOME TRIGGER	S9 (9) V99	11
53	55	REQUEST REASON CODE	X (3)	3
56	62	ASSESSMENT NUMBER	X (7)	7
63	65	REQUESTED STATUS CODE	X (3)	3
66	73	APPROVED BY	X(08)	8
74	296	FILLER	X(223)	223

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| USER FILE NAME S511 | RECORD TYPE LIABLE/POTENTIALLY LIABLE UPDATE |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02777D01 | FILE MEDIA DISK | LABEL TYPE STANDAR | RECORD SIZE 296 | BLOCKING FACTOR 100 | BLOCK SIZE 29600 |

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT TO STAR AND IS FOR DEBTOR AND POTENTIALLY LIABLE DEBTOR UPDATES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT ID		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION CODE ('LIA')	X (3)	3
15	18	RECORD ID (S511)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
		LIABLE PERSONS ID		
42	42	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
43	51	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
52	52	SAC/TAX INDICATOR	X (1)	1
53	57	RELATIONSHIP CODE	X (5)	5

58	61	SOURCE OF LIABLE PARTY	X (4)	4
62	91	LIABLE PERSONS NAME	X (30)	30
92	99	DATE LIABILITY START	9 (8)	8
100	107	DATE LIABILITY ENDS	9 (8)	8
108	108	NEW-PLP-SOC-BUS-IND	X(1)	1

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USER FILE NAME S511	RECORD TYPE LIABLE/POTENTIALLY LIABLE UPDATE			

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION		

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS FOR DEBTOR AND POTENTIALLY LIABLE DEBTOR UPDATES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
109	117	NEW-PLP-ACCT-NO	X(9)	9
118	118	NEW-PLP-SAC-TAX-IND	X(1)	1
119	123	NEW-REALTIONSHIP	X(5)	5
124	124	ACTION-CODE	X(1)	1
125	296	FILLER	X (172)	172

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USER FILE NAME	RECORD TYPE				
S513	ACCOUNT SPLIT REQUEST				
DEPARTMENT	**DIVISION**		**SECTION**		
DEPT. OF TREASURY	COLLECTIONS				
FILE IDENTIFIER	**FILE MEDIA**	**LABEL TYPE**	**RECORD SIZE**	**BLOCKING FACTOR**	**BLOCK SIZE**
TC02777D01	DISK	STANDAR	296	100	29600

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT TO STAR AND IS FOR DEBTOR SPLIT REQUESTS. SENT IN TANDEM WITH S8

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('SAD')	X (3)	3
15	18	RECORD ID (S513)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
42	52	PRIMARY ACCOUNT ID	X (11)	11
53	63	SECONDARY ACCOUNT ID	X (11)	11
64	203	ASSESSMENT NUMBER OCCURS 20 TIMES	X (7)	140
204	296	FILLER	X (93)	93

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USER FILE NAME S514	RECORD TYPE MARCS warrant request				
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS		SECTION		
FILE IDENTIFIER TC02777D01	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION   SEQUENCE   REMARKS

☐

INDEXED   MARCS to STAR interface for
                                                       Warrant Requests

☒ SEQUENTIAL ☐

FROM	THR	DESCRIPTION	FORMAT	LENGT
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS NUM)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('WAM')	X (3)	3
15	18	RECORD ID CODE ('S514')	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP	9 (8)	8
34	41	TIME STAMP	9 (8)	8
42	42	MANUAL WARRANT	X(1)	1
43	48	WARRANT NUMBER	9(6)	6
49	49	ASSESTS ENCUMBERED	X(1)	1
50	50	PERISHABLE GOODS	X(1)	1

51	58	PROPOSED SEIZURE	9(8)	8
59	69	ESTIMATED VALUE	S9(9)V99	11
70	80	WARRANT COSTS	S9(9)V99	11
81	136	ASSESTS TO BE SEIZED-1	X(56)	56
137	192	ASSESTS TO BE SEIZED-2	X(56)	56
193	195	REASON CODE FOR REQUEST	X(3)	3

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| USER FILE NAME
S514 | RECORD TYPE
MARCS warrant request | |
| DEPARTMENT
DEPT. OF TREASURY | DIVISION
COLLECTIONS | SECTION |

| FILE IDENTIFIER
TC02777D01 | FILE MEDIA
DISK | LABEL TYPE
STANDAR | RECORD SIZE
296 | BLOCKING FACTOR
100 | BLOCK SIZE
29600 |

FILE IORGANIZATION

☐

INDEXED

☒ SEQUENTIAL ☐
RELATIVE

SEQUENCE

REMARKS

MARCS to STAR interface for
Warrant Requests

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
196	200	REQUESTED BY	9(5)	5
201	201	RUSH WARRANT	X(1)	1
202	209	APPROVED BY	X(8)	8
210	218	LEGAL ACTION NUM	9(9)	9
219	296	FILLER	X(78)	78

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| USER FILE NAME S10 | RECORD TYPE MARCS INITIATED LIEN NOTIFICATION |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02777D01 | FILE MEDIA DISK | LABEL TYPE STANDAR D | RECORD SIZE 296 | BLOCKING FACTOR 100 | BLOCK SIZE 29600 |

FILE IORGANIZATION

INDEXED ☐

☒ SEQUENTIAL ☐
RELATIVE

SEQUENCE

REMARKS

MARCS to STAR interface record sending MARCS initiated liens

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('LIM')	X (3)	3
15	18	RECORD ID (S10)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
		LIEN DATA		
42	52	SECONDARY ACCOUNT NUMBER	X (11)	11
53	59	LIEN NUMBER	9 (7)	7
60	61	COUNTY NUMBER	9 (2)	2
62	69	LIEN ISSUE DATE	9 (8)	8

70	70	REAL PROPERTY INDICATOR	X (1)	1
71	71	PERSONAL PROPERTY INDICATOR	X (1)	1
72	79	LICENSED DATE	9 (8)	8
80	219	ASSESSMENT NUMBER OCCURS 20 TIMES	X (7)	140
220	296	FILLER	X (77)	77

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USER FILE NAME S11	RECORD TYPE LIEN RELEASE NOTIFICATION

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS MARCS to STAR interface record used to inform STAR lien releases

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ACCOUNT IDENTIFICATION		
1	1	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
2	10	ACCOUNT NUMBER (SSN/BUS IND)	X (9)	9
11	11	SAC/TAX INDICATOR	X (1)	1
12	14	TRANSACTION TYPE ('LNR')	X (3)	3
15	18	RECORD ID (S11)	X (4)	4
19	25	RECORD SEQUENCE NUMBER	9 (7)	7
26	33	DATE STAMP OF SYSTEM ACT REC REQ	9 (8)	8
34	41	TIME STAMP OF SYSTEM ACT REC REQ	9 (8)	8
42	48	LIEN NUMBER	9 (7)	7
49	56	LIEN RELEASE DATE	9 (8)	8
57	296	FILLER	X (240)	240

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USER FILE NAME S998	RECORD TYPE INTERFACE ACKNOWLEDGEMENT

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02777D01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 296	BLOCKING FACTOR 100	BLOCK SIZE 29600

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT TO STAR AND IS USED FOR INTERFACE CONTROL TOTALS (RECORD COUNTS AND SEQUENCE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	11	FILLER	X (11)	11
12	14	FILLER	X (3)	3
15	18	RECORD ID ('S998')	X (4)	4
19	25	BEGINNING SEQUENCE NUMBER	9 (7)	7
26	32	ENDING SEQUENCE NUMBER	9 (7)	7
33	36	ACKNOWLEDGEMENT RECORD TYPE	X (4)	4
37	44	DATE STAMP	9 (8)	8
45	52	TIME STAMP	9 (8)	8
53	296	FILLER	X (244)	244

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USER FILE NAME	RECORD TYPE
S999	INTERFACE CONTROL TOTALS

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02777D01	DISK	STANDAR	296	100	29600

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT TO STAR AND IS USED FOR INTERFACE CONTROL TOTALS (RECORD COUNTS AND SEQUENCE

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
1	11	FILLER	X (11)	11
12	14	FILLER	X (03)	3
15	18	RECORD ID ('S999')	X (4)	4
19	25	BEGINNING SEQUENCE NUMBER	9 (7)	7
26	32	ENDING SEQUENCE NUMBER	9 (7)	7
33	36	ACKNOWLEDGEMENT RECORD TYPE	X (4)	4
37	44	DATE STAMP	9 (8)	8
45	52	TIME STAMP	9 (8)	8
53	296	FILLER	X (244)	244

2. STAR OUTPUT RECORD FILE LAYOUTS.

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USER FILE NAME Z1 RECORD FILE	RECORD TYPE FINANCIAL TRANSACTION POSTING			

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION		

FILE IDENTIFIER TC02374D13	FILE MEDIA DISK	LABEL TYPE STANDARD	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR FINANCIAL TRANSACTION POSTING.

FROM	**THRU**	**DESCRIPTION**	*FORMAT*	**LENGTH**
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1

46	54	ACCOUNT NUMBER	(SSN/BUS NUM)	X (9)	9
55	55	SAC/TAX INDICATOR		X (1)	1
		SECONDARY ACCOUNT IDENTIFICATION			
56	56	BUSINESS/INDIVIDUAL INDICATOR		X (1)	1
57	65	ACCOUNT NUMBER	(SSN/BUS NUM)	X (9)	9
66	66	SAC/TAX INDICATOR		X (1)	1
67	73	ASSESSMENT NUMBER		X (7)	7
74	76	TAX TYPE		X (3)	3
77	84	TAX PERIOD		9 (8)	8
85	87	MODULE STATUS		X (3)	3

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DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS		SECTION	
FILE IDENTIFIER TC02374D13	FILE MEDIA DISK	LABEL TYPE STANDARD	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION

☐ INDEXED

☒ SEQUENTIAL ☐
RELATIVE

SEQUENCE

REMARKS

THIS RECORD IS SENT FROM STAR AND IS USED FOR FINANCIAL TRANSACTION POSTING.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
88	98	MODULE BALANCE	S9 (9) V9 (2)	11
99	101	TRANSACTION CODE	X (3)	3
102	105	TRANSACTION SOURCE	9 (4)	4
106	113	TRANSACTION DATE	9 (8)	8
114	118	TRANSACTION NUMBER	9 (5)	5
119	126	RECEIVED DATE	9 (8)	8
127	134	CROSS REFERENCE TRANSACTION DATE	9 (8)	8
135	139	CROSS REFERENCE TRANSACTION NUMBER	9 (5)	5
140	150	TRANSACTION AMOUNT	S9 (9) V99	11
151	158	POSTING DATE	X (8)	8
159	159	ACS FLAG	9 (1)	1

160	167	M FLAG DATE	9 (8)	8
168	175	A FLAG DATE	9 (8)	8
176	183	R FLAG DATE	9 (8)	8
184	194	PRINCIPLE AMOUNT	S9 (9) V9 (2)	11
195	205	PENALTY AMOUNT	S9 (9) V9 (2)	11
206	216	INTEREST AMOUNT	S9 (9) V9 (2)	11
217	221	BATCH NUMBER	9 (5)	5
222	229	TRANS BATCH DATE	9 (8)	8

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USER FILE NAME	RECORD TYPE
Z1 RECORD FILE	FINANCIAL TRANSACTION POSTING

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D13	DISK	STANDAR	450	50	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR FINANCIAL TRANSACTION POSTING.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
230	237	DATE TAX DUE	9 (8)	8
238	255	PAYMENT DOCUMENT	X (18)	18
256	264	FUND NUMBER	X (9)	9
265	267	TRANSACTION REASON CODE	X (3)	3
268	278	CURRENT PRINCIPAL AMOUNT	S9 (9) V9 (2)	11
279	289	CURRENT INTEREST AMOUNT	S9 (9) V9 (2)	11
290	300	CURRENT PENALTY AMOUNT	S9 (9) V9 (2)	11
301	311	INITIAL TAX PRINCIPAL AMOUNT	S9 (9) V9 (2)	11
312	322	INITIAL INTEREST AMOUNT	S9 (9) V9 (2)	11
323	333	INITIAL PENALTY AMOUNT	S9 (9) V9 (2)	11
334	353	TAX DESCRIPTION	X (20)	20
354	364	ACCURED PENALTY 1	S9 (9) V9 (2)	11

365	375	ACCURED PENALTY 2	S9 (9) V9 (2)	11
376	386	ACCURED PENALTY 3	S9 (9) V9 (2)	11
387	397	ACCURED PENALTY 4	S9 (9) V9 (2)	11
398	399	PENALTY TYPE 1	9 (2)	2
400	401	PENALTY TYPE 2	9 (2)	2
402	403	PENALTY TYPE 3	9 (2)	2
404	405	PENALTY TYPE 4	9 (2)	2

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USER FILE NAME	RECORD TYPE
Z1 RECORD FILE	FINANCIAL TRANSACTION POSTING

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D13	DISK	STANDAR	450	50	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR FINANCIAL TRANSACTION POSTING.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
406	406	DIS PENALTY INDICATOR	9 (1)	1
407	407	COND PENALTY INDICATOR	9 (1)	1
408	415	ASSESSMENT LAST UPDATE	9 (8)	8
416	450	FILLER	X (35)	35

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USER FILE NAME Z3	RECORD TYPE COMMENT UPDATE DATE POSTING		

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION	

FILE IDENTIFIER TC02374D16	FILE MEDIA DISK	LABEL TYPE STANDAR D	RECORD SIZE 204	BLOCKING FACTOR 105	BLOCK SIZE 21420

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATION OF THE LAST DATE STAR COMMENTS WERE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	63	COMMENT LAST UPDATE DATE	9 (8)	8
64	204	FILLER	X (141)	141

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USER FILE NAME	RECORD TYPE
Z4	LEVY SOURCE ADDRESS UPDATE

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D16	DISK	STANDAR	204	105	21420

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATION OF AN UPDATE TO AN ACTIVE LEVY SOURCE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1

56	61	LEVY NUMBER	9 (6)	6
62	91	LEVY SOURCE NAME	X (30)	30
92	92	FOREIGN INDICATOR	X (1)	1
93	122	LEVY SOURCE ADDRESS LINE – 1	X (30)	30
123	152	LEVY SOURCE ADDRESS LINE – 2	X (30)	30
		LEVY SOURCE ADDRESS LINE – 5		
153	171	CITY NAME	X (19)	19
172	173	STATE CODE	X (2)	2
174	182	ZIP CODE	X (9)	9

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| USER FILE NAME Z4 | RECORD TYPE LEVY SOURCE ADDRESS UPDATE |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02374D16 | FILE MEDIA DISK | LABEL TYPE STANDAR | RECORD SIZE 204 | BLOCKING FACTOR 105 | BLOCK SIZE 21420 |

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐		THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATION OF AN UPDATE TO AN ACTIVE LEVY SOURCE
☒ SEQUENTIAL ☐ RELATIVE		

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
183	190	LEVY START DATE	9 (8)	8
191	204	FILLER	X (14)	14

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USER FILE NAME	RECORD TYPE
Z9 RECORD FILE	LIEN RELEASE OR REINSTATE

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D16	DISK	STANDAR	204	105	21420

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATION OF LIEN RELEASE OR LIEN REINSTATEMENT.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	62	LIEN NUMBER	9 (7)	7
63	70	LIEN RELEASE DATE	9 (8)	8
71	72	ACTION CODE	X (2)	2
73	204	FILLER	X (132)	132

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USER FILE NAME Z200 RECORD FILE	RECORD TYPE NEW ACCOUNT POSTING

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☒ SEQUENTIAL ☐ RELATIVE ☐	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW ACCOUNTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	85	ACCOUNT NAME	X (30)	30

86	89	ADDRESS SOURCE	X (4)	4
90	97	ADDRESS EFFECTIVE DATE	9 (8)	8
98	105	ADDRESS BAD DATE	9 (8)	8
106	113	ADDRESS LAST UPDATE DATE	9 (8)	8
114	114	ADDRESS FOREIGN COUNTRY IND	X (1)	1
115	144	ADDRESS LINE – 1	X (30)	30
145	174	ADDRESS LINE – 2	X (30)	30

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USER FILE NAME	RECORD TYPE
Z200 RECORD FILE	NEW ACCOUNT POSTING

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW ACCOUNTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
175	204	ADDRESS LINE – 3	X (30)	30
205	234	ADDRESS LINE – 4	X (30)	30
		ADDRESS LINE – 5		
235	253	CITY NAME	X (19)	19
254	255	STATE CODE	X (2)	2
256	264	ZIP	X (9)	9
265	272	DATE OF BIRTH	9 (8)	8
273	280	DATE OF DISCONTINUANCE	9 (8)	8
281	290	HOME TELEPHONE NUMBER	9 (10)	10
291	300	WORK TELEPHONE NUMBER	9 (10)	10
301	302	OWNERSHIP CODE	X (2)	2
303	306	BUSINESS TYPE CODE	X (4)	4
307	307	ACCOUNT CALCULATION INDICATOR	X (1)	1
308	504	FILLER	X (197)	197

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USER FILE NAME	RECORD TYPE
Z201 RECORD FILE	ACCOUNT UPDATES

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR ACCOUNT LEVEL UPDATES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	85	ACCOUNT NAME	X (30)	30
86	88	FREEZE CODE	X (3)	3

89	96	DATE OF BIRTH	9 (8)	8
97	104	DATE OF DISCONTINUANCE	9 (8)	8
105	114	HOME TELEPHONE NUMBER	9 (10)	10
115	124	WORK TELEPHONE NUMBER	9 (10)	10
125	126	OWNERSHIP CODE	X (2)	2
127	130	BUSINESS TYPE CODE	X (4)	4
131	131	TAXPAYER TYPE CODE	X (1)	1

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USER FILE NAME	RECORD TYPE
Z201 RECORD FILE	ACCOUNT UPDATES

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR ACCOUNT LEVEL UPDATES.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
132	136	RESPONSIBILITY USER	X (5)	5
137	138	BANKRUPTCY TYPE	X (2)	2
139	146	PETITION DATE	9 (8)	8
147	147	ACCOUNT CAL INDICATOR	X (1)	1
148	504	FILLER	X (357)	357

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USER FILE NAME Z202 RECORD FILE	RECORD TYPE ACCOUNT/ASSESSMENT STATUS/RESP	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION		

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☒ SEQUENTIAL ☐ RELATIVE ☐	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATIONS OF ACCOUNT OR ASSESSMENT

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	56	LPL ASSESSED INDICATOR	X (1)	1

		ACCOUNT DATA		
57	59	ACCOUNT STATUS CODE	X (3)	3
60	67	ACCOUNT STATUS CHANGE DATE	9 (8)	8
68	70	ACCOUNT STATUS REASON CODE	X (3)	3
71	75	RESPONSIBLE USER	X (5)	5
76	79	ACCOUNT RESPONSIBILITY CODE	X (4)	4
80	87	ACCOUNT RESPONSIBILITY CHANGE DATE	9 (8)	8
88	91	LAST ACCOUNT RESPONSIBILITY CODE	X (4)	4

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USER FILE NAME Z202 RECORD FILE	RECORD TYPE ACCOUNT/ASSESSMENT STATUS/RESP

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR NOTIFICATIONS OF ACCOUNT OR ASSESSMENT

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ASSESSMENT DATA		
92	98	ASSESSMENT NUMBER	X (7)	7
99	101	ASSESSMENT STATUS CODE	X (3)	3
102	104	ASSESSMENT STATUS REASON CODE	X (3)	3
105	112	ASSESSMENT STATUS UPDATE DATE	9 (8)	8
113	116	ASSESSMENT RESPONSIBILITY CODE	X (4)	4
117	124	ASSESSMENT RESPONSIBILITY UPDATE DATE	9 (8)	8
125	132	ASSESSMENT COLSED DATE	9 (8)	8
133	136	LAST ASSESSMENT RESPONSIBILITY CODE	X (4)	4
137	140	ACTION CODE	X (3)	3
141	504	FILLER	X (365)	365

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USER FILE NAME	RECORD TYPE
Z203 RECORD FILE	ACCOUNT UPDATES -RESPONSIBLE

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS USED TO POST ACCOUNT UPDATES FOR RESPONSIBLE USER

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	MARCS REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	85	ACCOUNT NAME	X (30)	30
86	90	RESPONSIBLE USER	X (4)	5
5	504	FILLER	X(414)	414

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USER FILE NAME	RECORD TYPE
Z501	LIEN APPROVAL/DENIAL RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR LIEN APPROVAL/DENIAL OR STAR INITIATED LIEN NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	66	SECONDARY ACCOUNT IDENTIFICATION	X (11)	11
67	73	LIEN NUMBER	9 (7)	7

74	81	LIEN ISSUE DATE	9 (8)	8
82	111	LIEN NAME	X (30)	30
112	141	LIEN ADDRESS LINE 1	X (30)	30
142	171	LIEN ADDRESS LINE 2	X (30)	30
172	201	LIEN ADDRESS LINE 3	X (30)	30
202	231	LIEN ADDRESS LINE 4	X (30)	30
232	250	LIEN CITY	X (19)	19

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USER FILE NAME Z501	RECORD TYPE LIEN APPR0VAL/DENIAL RECORD		

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION	

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION ☐ INDEXED ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR LIEN APPROVAL/DENIAL OR STAR INITIATED LIEN NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
251	252	LIEN STATE	X (2)	2
253	261	LIEN ZIP CODE	X (9)	9
262	262	REAL PROPERTY INDICATOR	X (1)	1
263	263	PERSONAL PROPERTY INDICATOR	X (1)	1
264	264	REAL & PERSONAL PROPERTY INDICATOR	X (1)	1
265	275	TOTAL LIEN AMOUNT	S9 (9) V99	11
276	283	LIENSED DATE	9 (8)	8
284	285	COUNTY CODE	9 (2)	2
286	287	NUMBER OF ASSESSMENTS (THIS RECORD)	9 (2)	2
		ASSESSMENT DATA OCCURS 20 TIMES		
		ASSESSMENT NUMBER	X (7)	7
		TAX TYPE	X (3)	3
		ASSESSMENT DATE	9 (8)	8
		ASSESSMENT UNPAID BALANCE	S9 (9) V99	11
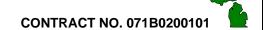
868	868	LIEN APPROVAL/DENIAL FLAG	X (1)	1
869	876	LIEN APPROVAL/DENIAL DATE	9 (8)	8
877	879	LIEN DENIAL REASON CODE	X (3)	3
880	884	NUMBER OF ASSESSMENTS LIENED	9 (5)	5
885	885	REISSUE	X(01)	1

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USER FILE NAME Z501	RECORD TYPE LIEN APPR0VAL/DENIAL RECORD			
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS		SECTION	
FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDARD	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR LIEN APPROVAL/DENIAL OR STAR INITIATED LIEN NOTIFICATIONS.		
886	894	LEGAL ACTION NUM	9(09)	9
895	900	FILLER	X(06)	6

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USER FILE NAME Z502	RECORD TYPE LEVY APPROVAL/DENIAL RECORD	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR LEVY APPROVAL/DENIAL OR STAR INITIATED LEVY NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	66	SECONDARY ACCOUNT IDENTIFICATION	X (11)	11
67	67	LEVY SOURCE TYPE	X (1)	1
68	68	LEVY TYPE	X (1)	1

69	74	LEVY NUMBER	9 (6)	6
75	82	LEVY DATE ISSUED	9 (8)	8
83	112	LEVY SOURCE NAME	X (30)	30
113	113	FOREIGN COUNTRY INDICATOR	X (1)	1
114	143	LEVY SOURCE ADDRESS LINE – 1	X (30)	30
144	173	LEVY SOURCE ADDRESS LINE – 2	X (30)	30

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USER FILE NAME	RECORD TYPE
Z502	LEVY APPROVAL/DENIAL RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR LEVY APPROVAL/DENIAL OR STAR INITIATED LEVY NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		LEVY SOURCE ADDRESS LINE – 5		
174	192	CITY NAME	X (19)	19
193	194	STATE	X (2)	2
195	203	ZIP CODE	X (9)	9
204	214	LEVY AMOUNT	S9 (9) V9 (2)	11
215	215	LEVY SERVE TYPE	X (1)	1
216	223	LEVY SERVE DATE	9 (8)	8
224	225	NUMBER OF ASSESSMENTS (THIS RECORD)	9 (2)	2
226	365	ASSESSMENT NUMBER X 20 TIMES	X (7)	140
366	366	STAR LEVY APPROVAL/DENIAL FLAG	X (1)	1
367	374	STAR LEVY APPROVAL/DENIAL DATE	9 (8)	8
375	377	STAR LEVY DENIAL REASON CODE	X (3)	3
378	382	NUMBER OF ASSESSMENTS LEVIED	9 (5)	5
383	900	FILLER	X (618)	618

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USER FILE NAME	RECORD TYPE
Z503 RECORD FILE	ADDRESS UPDATES

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR SENDING ADDRESS AND POWER OF ATTORNEY UPDATE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	64	SPOUSE IDENTIFICATION	9 (9)	9
65	67	ADDRESS TYPE	X (3)	3

68	71	SOURCE OF ADDRESS	X (4)	4
72	72	ADDRESS FOREIGN COUNTRY IND	X (1)	1
73	102	ADDRESS LINE – 1	X (30)	30
103	132	ADDRESS LINE – 2	X (30)	30
133	162	ADDRESS LINE – 3	X (30)	30
163	192	ADDRESS LINE – 4	X (30)	30
		ADDRESS LINE – 5		

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USER FILE NAME	RECORD TYPE
Z503 RECORD FILE	ADDRESS UPDATES

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR SENDING ADDRESS AND POWER OF ATTORNEY UPDATE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
193	211	CITY NAME	X (19)	19
212	213	STATE CODE	X (2)	2
214	222	ZIP	X (9)	9
223	230	POA EXPIRATION DATE	9 (8)	8
231	238	ADDRESS BAD DATE	9 (8)	8
239	246	ADDRESS EFFECTIVE DATE	9 (8)	8
247	254	ADDRESS LAST UPDATE DATE	9 (8)	8
255	900	FILLER	X (646)	646

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USER FILE NAME Z504	RECORD TYPE ACCOUNT # CHANGE/MERGE APPROVAL/DENIAL

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR ACCOUNT NUMBER CHANGE OR MERGE APPROVALS/DENIALS OR STAR INITIATED CHANGES OR

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		CURREN ACCOUNT DATA		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
		NEW ACCOUNT DATA		
56	56	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1

57	65	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
66	66	SAC/TAX INDICATOR	X (1)	1
67	67	APPROVAL/DENIAL INDICATOR	X (1)	1
68	75	APPROVAL/DENIAL DATE	9 (8)	8
76	78	DENIAL REASON	X (3)	3
79	79	MERGE INDICATOR	X (1)	1

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USER FILE NAME Z504	RECORD TYPE ACCOUNT # CHANGE/MERGE APPROVAL /DENIAL

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR ACCOUNT NUMBER CHANGE OR MERGE APPROVALS/DENIALS OR STAR INITIATED CHANGES OR

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
80	900	FILLER	X (821)	821

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USER FILE NAME	RECORD TYPE
Z505 RECORD FILE	INSTALLMENT AGREEMENT

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR INSTALLMENT AGREEMENT APPROVALS/DENIALS OR STAR INITIATED INSTALLMENT

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	66	PROPOSED PAYMENT AMOUNT	S9 (9) V9 (2)	11
67	77	APPROVED PAYMENT AMOUNT	S9 (9) V9 (2)	11
78	78	FREQUENCY OF PAYMENT PLAN ('M')	X (1)	1

79	86	FIRST PAYMENT DUE DATE	9 (8)	8
87	94	NEXT PAYMENT DUE DATE	9 (8)	8
95	95	I/A APPROVAL/DENIAL FLAG	X (1)	1
96	103	I/A APPROVAL/DENIAL DATE	9 (8)	8
104	106	I/A DENIAL REASON CODE	X (3)	3
107	900	FILLER	X (794)	794

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USER FILE NAME Z507RECORD FILE	RECORD TYPE INSTALLMENT AGREEMENT DEFAULT NOTIFICATION

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED TO SEND INSTALLMENT AGREEMENT DEFAULT AND CLOSURE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	900	FILLER	X (845)	845

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USER FILE NAME	RECORD TYPE
Z508 RECORD FILE	LEVY RELEASE RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO SEND LEVY RELEASE NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	61	LEVY NUMBER	9 (6)	6
62	69	LEVY RELEASE DATE	9 (8)	8
70	900	FILLER	X (831)	831

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USER FILE NAME	RECORD TYPE
Z510 RECORD FILE	ACCOUNT/ASSESSMENT STATUS CHANGE APPROVAL/DENIAL

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS FOR STATUS CHANGE APPROVAL/DENIALS SPECIFICALLY FOR CURRENTLY NOT COLLECTIBLE (CNC) OR WRITE OFFS AND CORRESPONDENCE HOLDS.

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAME	X (8)	8
37	44	TIME STAMP	X (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	58	REQUESTED STATUS CODE	X (3)	3

59	61	REQUEST REASON CODE	X (3)	3
62	68	ASSESSMENT NUMBER	9 (7)	7
69	69	STATUS CHANGE APPROVAL/DENIAL FLAG	X (1)	1
70	77	STATUS CHANGE APPROVAL/DENIAL DATE	9 (8)	8
78	80	STATUS CHANGE DENIAL REASON CODE	X (3)	3
81	900	FILLER	X (820)	820

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USER FILE NAME	RECORD TYPE
Z511 RECORD FILE	LIABLE/POTENTIALLY LIABLE

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED FOR POSTING LIABLE OR POTENTIALLY LIABLE DEBTOR INFORMATION OR POSTING

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUS/SAC INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
		LIABLE PARTY ACCOUNT ID		
56	56	BUS/SAC INDICATOR	X (1)	1
57	65	ACCOUNT NUMBER	X (9)	9

66	66	SAC/TAX INDICATOR	X (1)	1
67	71	LIABLE PARTY RELATIONSHIP CODE	X (5)	5
72	75	LIABLE PARTY SOURCE CODE	X (4)	4
76	105	LIABLE PARTY NAME	X (30)	30
106	113	LIABLE PARTY START DATE	9 (8)	8
114	121	LIABLE PARTY END DATE	9 (8)	8

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| USER FILE NAME Z511 RECORD FILE | RECORD TYPE LIABLE/POTENTIALLY LIABLE |

| DEPARTMENT DEPT. OF TREASURY | DIVISION COLLECTIONS | SECTION |

| FILE IDENTIFIER TC02374D14 | FILE MEDIA DISK | LABEL TYPE STANDAR | RECORD SIZE 900 | BLOCKING FACTOR 25 | BLOCK SIZE 22500 |

FILE IORGANIZATION

INDEXED ☐

☒ SEQUENTIAL ☐
RELATIVE

SEQUENCE

REMARKS
THIS RECORD IS SENT FROM STAR AND IS USED FOR POSTING LIABLE OR POTENTIALLY LIABLE DEBTOR INFORMATION OR POSTING

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
122	122	LIABLE PARTY ASSESSED INDICATOR	X (1)	1
123	123	ACTION CODE	X (1)	1
124	900	FILLER	X (877)	877

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USER FILE NAME Z513 RECORD FILE	RECORD TYPE ACCOUNT SPLIT APPROVAL/DENIAL			

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION		

FILE IDENTIFIER TC02374D14	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 900	BLOCKING FACTOR 25	BLOCK SIZE 22500

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED TO SEND ACCOUNT SPLIT APPROVALS OR DENIALS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	67	SECONDARY ACCOUNT IDENTIFICATION	X (11)	11
68	68	SPLIT REQUEST APPROVAL/DENIAL FLAG	X (1)	1
69	76	SPLIT REQUEST APPROVAL/DENIAL DATE	9 (8)	8
77	79	SPLIT REQUEST DENIAL REASON CODE	X (3)	3
80	900	FILLER	X (821)	821

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USER FILE NAME	RECORD TYPE
Z514 RECORD FILE	WARRANT NOTIFICATION

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO SEND WARRANT NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	61	WARRANT NUMBER	9 (6)	6
62	62	ASSETS ENCUMBERED INDICATOR	X (1)	1
63	63	PERISHABLE GOODS INDICATOR	X (1)	1
64	71	PROPOSED SEIZURE DATE	9 (8)	8

72	82	ESTIMATED VALUE	S9 (9) V9 (2)	11
83	93	WARRANT COST	S9 (9) V9 (2)	11
94	149	ASSET – 1	X (56)	56
150	205	ASSET – 2	X (56)	56
206	208	REQUEST REASON CODE	X (3)	3

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USER FILE NAME	RECORD TYPE
Z514 RECORD FILE	WARRANT NOTIFICATION

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D14	DISK	STANDAR	900	25	22500

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO SEND WARRANT NOTIFICATIONS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
209	216	RUSH WARRANT DATE	9 (8)	8
217	221	REQUESTED BY	X (5)	5
222	223	NUMBER OF ASSESSMENTS (THIS RECORD)	9 (2)	2
224	363	ASSESSMENT NUMBER X 20 TIMES	X (7)	140
364	368	TOTAL NO OF ASSESSMENTS	9 (5)	5
369	369	APPROVAL DENIAL FLAG	X(1)	1
370	377	APPROVAL DENAIL DATE	9(8)	8
378	380	DENIAL REASON CODE	X(3)	3
381	389	MARCS LEGAL ACTION NUM	9(9)	9
390	900	FILLER	X (111)	511

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USER FILE NAME Z600 RECORD FILE	RECORD TYPE NEW DEBT POSTING	
DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	64	SPOUSE ID	9 (9)	9
65	67	TAX TYPE	X (3)	3
68	75	TAX PERIOD	9 (8)	8
76	83	DATE TAX DUE	9 (8)	8

84	90	ASSESSMENT NUMBER	X (7)	7
91	91	ASSESSMENT TYPE	X (1)	1
92	121	ASSESSMENT NAME	X (30)	30
122	122	ACTION CODE	X (1)	1
123	133	MODULE BALANCE	S9 (9) V9 (2)	11

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USER FILE NAME Z600 RECORD FILE	RECORD TYPE NEW DEBT POSTING	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION ☐

INDEXED

☒ SEQUENTIAL ☐

RELATIVE

SEQUENCE

REMARKS

THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
134	144	CURRENT PRINCIPAL AMOUNT	S9 (9) V9 (2)	11
145	155	CURRENT PENALTY AMOUNT	S9 (9) V9 (2)	11
156	166	CURRENT INTEREST AMOUNT	S9 (9) V9 (2)	11
167	177	INITIAL PRINCIPAL AMOUNT	S9 (9) V9 (2)	11
178	188	INITIAL PENALTY AMOUNT	S9 (9) V9 (2)	11
189	199	INITIAL INTEREST AMOUNT	S9 (9) V9 (2)	11
200	207	INTENT DATE	9 (8)	8
208	215	FINAL ASSESSMENT DATE	9 (8)	8
216	223	FINAL DEMAND DATE	9 (8)	8
224	231	COLSED DATE	9 (8)	8
232	232	ISSUE CODE	X (1)	1
233	235	PROJECT CODE	X (3)	3
236	238	ASSESSMENT STATUS CODE	X (3)	3
239	241	STATUS REASON CODE	X (3)	3

242	245	ASSESSMENT RESPONSIBILITY CODE	X (4)	4
246	253	CURRENT ASSESSMENT STATUS UPDATE DATE	X (8)	8
254	256	ASSESSMENT REASON CODE – 1	X (3)	3
257	259	ASSESSMENT REASON CODE – 2	X (3)	3
260	262	ASSESSMENT REASON CODE – 3	X (3)	3

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USER FILE NAME	RECORD TYPE
Z600 RECORD FILE	NEW DEBT POSTING

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
263	265	ASSESSMENT REASON CODE – 4	X (3)	3
266	268	ASSESSMENT REASON CODE – 5	X (3)	3
269	345	ASSESSMENT REASON TEXT	X (77)	77
346	365	TAX DESCRIPTOR	X (20)	20
366	368	MH HOSPITAL CODE	X (3)	3
369	379	ACCRUED PENALTY – 1	S9 (9) V9 (2)	11
380	390	ACCRUED PENALTY – 2	S9 (9) V9 (2)	11
391	401	ACCRUED PENALTY – 3	S9 (9) V9 (2)	11
402	412	ACCRUED PENALTY – 4	S9 (9) V9 (2)	11
413	420	JUDGMENT DATE	9 (8)	8
421	425	ASSESSMENT ISSUED BY CODE	X (5)	5
426	433	ASSESSMENT RESP CHANGE DATE	9 (8)	8
434	441	PENALTY START DATE	9 (8)	8

442	449	INTEREST START DATE	9 (8)	8
450	453	SPECIAL INTEREST DATE	99V99	4
454	461	ASSESSMENT LAST UPDATE RATE	9 (8)	8
462	463	PENALTY TYPE 1	9 (2)	2
464	465	PENALTY TYPE 2	9 (2)	2
466	467	PENALTY TYPE 3	9 (2)	2

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USER FILE NAME	RECORD TYPE
Z600 RECORD FILE	NEW DEBT POSTING

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO POST NEW DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
468	469	PENALTY TYPE 4	9 (2)	2
470	470	DIS PENALTY INDICATOR	9 (1)	1
471	471	COND PENALTY INDICATOR	9 (1)	1
472	504	FILLER	X (33)	33

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USER FILE NAME	RECORD TYPE
Z601 RECORD FILE	PURGE NOTIFICATION

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D16	DISK	STANDAR	204	105	21420

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ⊠ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED AS NOTIFICATION OF AN ACCOUNT OR ASSESSMENT LEVEL PURGE. (THIS MAY OR MAY NOT BE USED

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	62	ASSESSMENT NUMBER	X (7)	7
63	70	PURGED DATE	9 (8)	8
71	204	FILLER	X (134)	134

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USER FILE NAME Z603 RECORD FILE	RECORD TYPE DEBT UPDATES	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D15	FILE MEDIA DISK	LABEL TYPE STANDARD	RECORD SIZE 504	BLOCKING FACTOR 45	BLOCK SIZE 22680

FILE IORGANIZATION INDEXED ☐ SEQUENTIAL ☒ RELATIVE ☐	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED TO UPDATES TO EXISTING DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	64	SPOUSE ID	9 (9)	9
65	71	ASSESSMENT NUMBER	X (7)	7
72	72	ASSESSMENT TYPE	X (1)	1

73	102	ASSESSMENT NAME	X (30)	30
103	103	ACTION CODE	X (1)	1
104	111	INTENT DATE	9 (8)	8
112	119	FINAL ASSESSMENT DATE	9 (8)	8
120	127	CORRECTED ASSESSMENT DATE	9 (8)	8
128	135	FINAL DEMAND DATE	9 (8)	8

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USER FILE NAME	RECORD TYPE
Z603 RECORD FILE	DEBT UPDATES

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO UPDATES TO EXISTING DEBTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
136	143	COLSED DATE	9 (8)	8
144	146	ASSESSMENT REASON CODE – 1	X (3)	3
147	149	ASSESSMENT REASON CODE – 2	X (3)	3
150	152	ASSESSMENT REASON CODE – 3	X (3)	3
153	155	ASSESSMENT REASON CODE – 4	X (3)	3
156	158	ASSESSMENT REASON CODE – 5	X (3)	3
159	235	ASSESSMENT REASON TEXT	X (77)	77
236	238	MH HOSPITAL CODE	X (3)	3
239	246	JUDGMENT DATE	9 (8)	8
247	251	ASSESSMENT ISSUED BY CODE	X (5)	5
252	259	PENALTY START DATE	9 (8)	8
260	267	INTEREST START DATE	9 (8)	8
268	271	SPECIAL INTEREST RATE	99V99	4
272	504	FILLER	X (233)	233

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USER FILE NAME	RECORD TYPE
Z604 RECORD FILE	SECONDARY ASSESSMENT

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02374D15	DISK	STANDAR	504	45	22680

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		THIS RECORD IS SENT FROM STAR AND IS USED TO POST SECONDARY ASSESSMENTS AND UPDATES TO THE SECONDARY ASSESSMENTS.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	RECORD SEQUENCE NUMBER	9 (7)	7
12	18	RECORD REQUEST NUMBER	9 (7)	7
19	28	PROGRAM NUMBER	X (10)	10
29	36	DATE STAMP	9 (8)	8
37	44	TIME STAMP	9 (8)	8
		ACCOUNT IDENTIFICATION		
45	45	BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
46	54	ACCOUNT NUMBER (SSN/BUS NO)	X (9)	9
55	55	SAC/TAX INDICATOR	X (1)	1
56	62	ASSESSMENT NUMBER	X (7)	7
63	70	INTENT DATE	9 (8)	8
71	78	FINAL ASSESSMENT DATE	9 (8)	8
79	86	FINAL DEMAND DATE	9 (8)	8

87	94	COLSED DATE	9 (8)	8
95	97	ASSESSMENT STATUS CODE	X (3)	3
98	101	ASSESSMENT RESPONSIBILITY CODE	X (4)	4
102	102	SEC P/D INDICATOR	X (1)	1
103	504	FILLER	X (402)	402
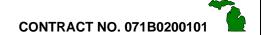
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USER FILE NAME Z999 RECORD FILE	RECORD TYPE INTERFACE CONTROL TOTALS

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02374D16	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 204	BLOCKING FACTOR 105	BLOCK SIZE 21420

FILE IORGANIZATION INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS SENT FROM STAR AND IS USED FOR INTERFACE CONTROL TOTALS (RECORD COUNTS AND SEQUENCE NUMBERS).

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	4	RECORD ID	X (4)	4
5	11	BEGINNING SEQUENCE NUMBER	9 (7)	7
12	18	ENDING SEQUENCE NUMBER	9 (7)	7
19	22	ACKNOWLEDGEMENT RECORD TYPE	X (4)	4
23	30	DATE STAMP	9 (8)	8
31	38	TIME STAMP	9 (8)	8
39	204	FILLER	X (166)	166

3.a. EFT PYT RECORD LAYOUT.

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EDP FILE DESCRIPTION

USER FILE NAME	RECORD TYPE
TC02631Q03/TC02631Q06 RECORD	PYT DETAIL RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02631			378		

FILE IORGANIZATION   ☐

INDEXED

☒ SEQUENTIAL ☐
RELATIVE

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	3	TRANSACTION TYPE ("PYT")	X (3)	3
4	8	EMPLOYEE ID ("99988")	X (5)	5
9	11	TRANSACTION REASON ("SPACES")	X (3)	3
12	13	TRANSACTION SOURCE CODE ("06")	X (2)	2
14	30	STATION NAME ("SPACES")	X (17)	17
31	41	ACCOUNT ID	X (11)	11
42	52	SECONDARY ACCOUNT ID (IF N/A "SPACES")	X (11)	11
53	55	TRANSACTION TYPE ("PYT")	X (3)	3
56	62	ASSESSMENT NUMBER ("SPACES")	X (7)	7
63	65	TAX TYPE CODE ("SPACES")	X (3)	3
66	73	BATCH DATE (SYSTEM DATE)	9 (8)	8
74	78	BATCH NUMBER ("05600")	9 (5)	5

79	86	DATE PAYMENT RECEIVED (EFFECTIVE ENTRY	9 (8)	8
87	90	PAYMENT SOURCE CODE (PMET, SMET	X (4)	4
91	101	TRANSACTION INTEREST AMOUNT ("ZEROS")	S9 (11)	11
102	112	TRANSACTION PENALTY AMOUNT ("ZEROS")	S9 (11)	11
113	123	TRANSACTION TAX AMOUNT ("ZEROS")	S9 (11)	11
124	134	TOTAL PAYMENT AMOUNT	S9(9)V99	11

EXHIBITS

CONTRACT NO. 071B0200101

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EDP FILE DESCRIPTION		DATE 06/26/02	Page 269 of 396

USER FILE NAME	RECORD TYPE
TC02631Q03/TC02631Q06 RECORD	PYT DETAIL RECORD

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	COLLECTIONS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02631			378		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
135	144	BANK NUMBER ("ZEROS")	9 (10)	10
145	152	CHECK NUMBER ("ZEROS")	9 (8)	8
153	192	ORIGINAL KEY (FOR UNPOSTABLES)	X (40)	40
193	200	PERIOD END DATE ("ZEROS")	9 (8)	8
201	326	FILLER ("BATCH DATE, TRACE NUMBER")	X (126)	126
327	337	TRANSACTION ACCOUNT ID	X (11)	11
338	345	TRANSACTION DATE	9 (8)	8
346	353	TRANSACTION TIME	9 (8)	8
354	356	TRANSACTION SEQUENCE NUMBER ("ZEROS")	9 (3)	3
357	367	TRANSACTION AMOUNT	S9(9)V99	11
368	373	TRANSACTION SERIAL NUMBER ("ZEROS")	9 (6)	6
374	378	TRANSACTION NUMBER ("ZEROS")	9 (5)	5

3.b. EFT BANKING FILE RECORD LAYOUT.

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EDP FILE DESCRIPTION	DATE 04/03/00	Page 270 of 396

USER FILE NAME EFT FILE		RECORD TYPE ENTRY DETAIL	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION	

FILE IDENTIFIER TC02631/632	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 94	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION INDEXED ☒ SEQUENTIAL ☐ RELATIVE	☐	SEQUENCE	REMARKS ENTRY DETAIL RECORD

FROM	**THRU**	**DESCRIPTION**	*FORMAT*	**LENGTH**
1	1	RECORD TYPE CODE	9 (1) "6"	1
2	3	TRANSACTION CODE	9 (2) 27 28 36 37 38	2
4	12	ABA/TRANSIT NUMBER	9 (9)	9
		TRANSIT NUMBER 9 (4)		
		ABA NUMBER 9 (4)		
		CHECK DIGIT 9 (1)		
13	29	PAYEES' BANK ACCOUNT	X (17)	17
30	39	AMOUNT	9 (8) V99	10
40	54	PAYEE ID	X (15)	15
55	76	PAYEE NAME	X (22)	22
77	78	FILLER – RESERVED	X (2)	2
79	79	ADDENDA RECORD INDICATOR	9 (1) "0" = NONE	1
80	94	TRACE NUMBER	X (15) ROUTING # +	15

3.c. EFT RETURN FILE RECORD LAYOUT.

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USER FILE NAME EFT FILE		RECORD TYPE ADDENA RECORD	

DEPARTMENT DEPT. OF TREASURY	DIVISION SYSTEMS	SECTION	

FILE IDENTIFIER TC02631/632	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 94	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ⊠ SEQUENTIAL ☐ RELATIVE		ADDENDA RECORD

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	1	RECORD TYPE CODE	9 (1) "7"	1
2	3	ADDENDA TYPE CODE	9 (2) "05"	2
4	6	CHANGE CODE	X (3)	3
7	21	ORIGINAL TRACE NUMBER	9 (15)	15
22	27	RESERVED	X (6)	6
28	35	ORIGINAL RDFI	X (8)	8
36	64	CORRECTED DATA	X (29)	29
65	79	RESERVED	X (15)	15
80	94	TRACE NUMBER	9 (15)	15

3.d. Image record file layout.

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USER FILE NAME	RECORD TYPE
MARCS IMAGE UPLOAD INDEX	IMAGE FILE LAYOUT

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	SYSTEMS	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC98XXX	DISK	STANDARD	145		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☒ SEQUENTIAL ☐ RELATIVE		FILE IS USED TO MERGE TO OTHER IMAGE FILES FOR POSTING TO MARCS AS ONLINE VIEWABLE CORRESPONDENCE. This accompanies a file of .tiff records

FROM	**THRU**	**DESCRIPTION**	*FORMAT*	**LENGTH**
1	15	SECONDARY MAIL ("SCAN COVER PAGE")	X(15)	15
16	26	ACCOUNT NUMBER	X(11)	11
27	35	BATCH NUMBER	9 (9)	9
36	37	PIECE NUMBER	9 (2)	2
38	39	DOCUMENT TYPE	X (3)	2
40	47	RECEIVED DATE	9 (8)	8
48	55	DATE SCANNED	9 (8)	8
56	130	IMAGE LOCATION(N:\DAILY IMAGE BACKUP\0011CE53.TIF)	X (75)	75
131	145	FILLER	X (X)	15

3.e CRM(Siebel) record file layouts

CRM to MARCS Acknowledgment Record
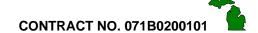
Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'Z998'	Notifies MARCS of the last CRM batch received by CRM from MARCS
BEGINNING_SEQUENCE_NO	char	7	√	First sequence number from MARCS last received by CRM	
ENDING_SEQUENCE_NO	char	7	√	Last sequence number from MARCS last received by CRM	
RECORD_TYPE	char	4	√	'MCRM '	
DATE_STAMP	char	8	√	'20051027'	File creation date
TIME_STAMP	char	8	√	'10080367'	File creation time
FILLER	char	1142			Filled with spaces
Total Record Length		1180			

MARCS to CRM Acknowledgement Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'S998'	Notifies CRM of the last CRM batch received by MARCS from CRM
BEGINNING_SEQUENCE_NO	char	7	√	First CRM sequence number from CRM last received by MARCS	
ENDING_SEQUENCE_NO	char	7	√	Last CRM sequence number from CRM last received by MARCS	
RECORD_TYPE	char	4	√	'CCRM '	
DATE_STAMP	char	8	√	'20051027'	File creation date
TIME_STAMP	char	8	√	'10080367'	File creation time
FILLER	char	1172			Filled with spaces
Total Record Length		1210			

CRM to MARCS Control Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'Z999'	Notifies MARCS how many detail records are included in the file
BEGINNING_SEQUENCE_NO	char	7	√	First sequence number included in the file	
ENDING_SEQUENCE_NO	char	7	√	Last sequence number included in the file	
RECORD_TYPE	char	4	√	'CCRM '	
DATE_STAMP	char	8	√	'20051025'	File creation date
TIME_STAMP	char	8	√	'10080367'	File creation time
FILLER	char	1142			Filled with spaces
Total Record Length		1180			

MARCS to CRM Control Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'S999'	Notifies CRM how many detail records are included in the file
BEGINNING_SEQUENCE_NO	char	7	√	First sequence number included in the file	
ENDING_SEQUENCE_NO	char	7	√	Last sequence number included in the file	
RECORD_TYPE	char	4	√	'MCRM '	
DATE_STAMP	char	8	√	'20051025'	File creation date
TIME_STAMP	char	8	√	'10080367'	File creation time
FILLER	char	1172			Filled with spaces
Total Record Length		1210			

CRM to MARCS Detail Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'CCRM'	
CRM_SEQUENCE_NO	char	7	√	Unique CRM identifier	Sequence number maintained by CRM, incremented per detail record, from batch to batch.
MARCS_SEQUENCE_NO	char	7	√	Unique MARCS identifier	MARCS sequence number from initial MARCS to CRM detail record.
ACCOUNT_TYPE	char	1	√	Taxpayer Type = 'F' or 'S'. (First character of the MARCS case number)	The MARCS case number consists of ACCOUNT_TYPE + ACCOUNT_NUMBER + TAX_SAC_IND
ACCOUNT_NUMBER	char	9	√	SSN or FEIN. (Positions 2-10 of the MARCS case number)	
TAX_SAC_IND	char	1	√	Last character of CASE_NUM	
RESOLUTION_CODE	char	30	√	Resolution text from CRM	**MARCS descriptor which is a 15 character field**
RESOLUTION_NOTES	char	1020		SR notes from CRM; free form text related to resolution	MARCS allows a maximum of 1020 characters in history text.
FILLER	char	101			Needed for future expansion? Filled with spaces
Total Record Length		1180			

MARCS to CRM Detail Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'MCRM'	
MARCS_SEQUENCE_NO	char	7	√	Unique MARCS identifier	Must be placed in the returning detail record from CRM
ACCOUNT_TYPE	char	1	√	Taxpayer Type = 'F' or 'S'. (First character of the MARCS case number)	The MARCS case number consists of ACCOUNT_TYPE + ACCOUNT_NUMBER + TAX_SAC_IND
ACCOUNT_NUMBER	char	9	√	SSN or FEIN. (Positions 2-10 of the MARCS case number)	
TAX_SAC_IND	char	1	√	Last character of MARCS case number	
IMAGE_FILE_NAME	char	12	√ *	Indicates the image filename in MARCS	e.g. "0007249F.TIF" * Not sent for conversion records
DOCUMENT_TYPE	char	3	√	Letter code from MARCS	
ACTIVITY_DATE	char	10	√	Indicates the date the image history was generated	e.g. "10/25/2005"
ACTIVITY_TIME	char	8	√	Indicates the time the image history was generated	e.g. "18:16:00"
ACTIVITY_DESC	char	25	√	Indicates the MARCS activity description for the image	e.g. "IIT Return"
HISTORY_TEXT	char	1020		Indicates any history text associated to the image at the time a service request is made online.	MARCS allows a maximum of 1020 characters in history text. Not populated with batch transactions.
TAX_TYPE	char	3	√	Indicates the assessment tax type	
PROJECT_CODE	char	3	√	Indicates the assessment project code.	See above
REASON_CODE	char	3	√	Reason code for assessment.	See above. MARCS has 5 reason codes and 5 corrected reason codes.
FILLER	char	101			Space filled.
Total Record Length		1210			

MARCS Batch Trailer Record

Field Name	Data Type	Length	Required	Description	Comments
REC_ID	char	4	√	'S998'	Notifies CRM of the end of a batch of detail records
BEGINNING_SEQUENCE_NO	char	7	√	'0000000'	updated with zeros
ENDING_SEQUENCE_NO	char	7	√	'0000000'	updated with zeros
RECORD_TYPE	char	4	√	'NULL'	updated with the literal 'NULL'
DATE_STAMP	char	8	√	'20051025'	File creation date
TIME_STAMP	char	8	√	'10080367'	File creation time
FILLER	char	1172			Filled with spaces
Total Record Length		1210			

3.f eLien record file layouts

File layouts from MARCS to counties:

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USER FILE NAME	RECORD TYPE
COUNTY LIEN HEADER RECORD	

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	STAR	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02752	DISK	STANDAR	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien header file generated by MARCS to counties for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	3	HEADER "HDR"	X (3)	3
4	5	COUNTY CODE "63" FOR OAKLAND	9 (2)	2
6	45	COUNTY NAME	X (40)	40
46	53	BATCH DATE CCYYMMDD	9 (8)	8
54	58	TOTAL NUMBER OF LIENS	9 (5)	5
59	63	TOTAL NUMBER OF RELEASES	9 (5)	5
64	68	TOTAL NUMBER OF REINSTATES	9 (5)	5
69	73	TOTAL REJECTED NUMBER OF LIENS	9 (5)	5
74	78	TOTAL REJECTED NUMBER OF RELEASES	9 (5)	5
79	83	TOTAL REJECTED NUMBER OF REINSTATES	9 (5)	5
84	90	MARCS SEQUENCE NUMBER	9 (7)	7
91	95	TOTAL REISSUE	9 (5)	5
96	100	TOT-REJ-REISSUE	9 (5)	5
101	1556	FILLER	X (1456)	1456

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USER FILE NAME	RECORD TYPE
COUNTY LIEN FILING-DETAIL RECORD	

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	STAR	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02752	DISK	STANDAR	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien detail file generated by MARCS to counties for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	9	LEGAL ACTION NUMBER	9 (9)	9
		ACCOUNT ID		
10	10	BUSINESS/INDIVIDUAL INDICATOR "F" OR "S"	X (1)	1
11	19	ACCOUNT NO (SSN/BUS NO)	X (9)	9
20	20	SAC/TAX INDICATOR "S" OR SPACES	X (1)	1
		SECONDARY ACCOUNT ID		
21	21	SECONDARY BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
22	30	SECONDARY ACCOUNT NO (SSN/BUS NO)	9 (9)	9
31	31	SECONDARY SAC/TAX INDICATOR "S" OR	X (1)	1
32	38	LIEN NUMBER	9 (7)	7
39	46	LIEN ISSUE DATE CCYYMMDD	9 (8)	8
47	69	PRIMARY-LAST NAME	X (23)	23
70	88	PRIMARY-FIRST NAME	X (19)	19

89	89	PRIMARY-MIDDLE INITIAL	X (1)	1
90	90	PRIMARY-GENERATION CODE JR, SR, II, III, ETC	X (1)	1
91	113	SECONDARY-LAST NAME	X (23)	23
114	132	SECONDARY-FIRST NAME	X (19)	19
133	133	SECONDARY-MIDDLE INITIAL	X (1)	1
134	134	SECONDARY-GENERATION CODE JR, SR	X (1)	1

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USER FILE NAME		RECORD TYPE
COUNTY LIEN FILING-DETAIL RECORD		

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	STAR	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02752	DISK	STANDAR	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien detail file generated by MARCS to counties for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
135	177	LIEN NAME	X (43)	43
178	207	LIEN ADDRESS LINE 1	X (30)	30
208	237	LIEN ADDRESS LINE 2	X (30)	30
238	267	LIEN ADDRESS LINE 3	X (30)	30
268	297	LIEN ADDRESS LINE 4	X (30)	30
298	316	LIEN CITY	X (19)	19
317	318	LIEN STATE	X (2)	2
319	327	LIEN ZIP CODE	X (9)	9
328	328	REAL PROPERTY INDICATOR "Y" OR SPACES	X (1)	1
329	329	PERSONAL PROPERTY INDICATOR "Y"	X (1)	1
330	330	REAL & PERSONAL PROPERTY INDICATOR	X (1)	1
331	341	TOTAL LIEN AMOUNT	S9 (9) V99	11
342	343	COUNTY CODE "63" FOR OAKLAND	9 (2)	2

344	345	NUMBER OF ASSESSMENTS	9 (2)	2
346	1265	ASSESSMENT DATA OCCURS 20 TIMES		
		ASSESSMENT NUMBER EX·I519400	X (7)	7
		TAX TYPE WITHHOLDING TAX	X (20)	20
		ASSESSMENT DATE CCYYMMDD	9 (8)	8

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USER FILE NAME		RECORD TYPE	
COUNTY LIEN FILING-DETAIL RECORD			

DEPARTMENT	DIVISION		SECTION
DEPT. OF TREASURY	STAR		

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02752	DISK	STANDARD	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien detail file generated by MARCS to counties for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ASSESSMENT UNPAID BALANCE EX: 759.28	S9 (9) V99	11
1266	1266	COUNTY APPROVAL/DENIAL FLAG "A" "D"	9 (1)	1
1267	1274	COUNTY APPROVAL/DENIAL DATE CCYYMMDD	X(8)	8
1275	1277	COUNTY DENIAL REASON CODE	9 (3)	3
1278	1282	TOTAL NUMBER OF ASSESSMENTS LIENED	X(5)	5
1283	1302	ORIGINAL LIBER NUMBER	X (20)	20
1303	1322	ORIGINAL PAGE NUMBER	X (20)	20
1323	1349	ORIGINAL FILING NUMBER	9 (27)	27
1350	1357	ORIGINAL FILING DATE CCYYMMDD	X(8)	8
1358	1377	LIBER NUMBER-REL/REINSTATE	X (20)	20
1378	1397	PAGE NUMBER-REL/REINSTATE	X (20)	20
1398	1424	FILING NUMBER-REL/REINSTATE	X (27)	27
1425	1432	FILING DATE-REL/REINSTATE CCYYMMDD	9 (8)	8
1433	1434	LEGAL ACTION TYPE "RE", "RL" "OR"	X (2)	2
1435	1509	SIGNATOR	9(75)	75
1510	1513	SIGNATOR CODE EX: 0001 FOR MARY MACD	X (4)	4
1514	1520	RECEIPT NUMBER	X(07)	7
1521	1526	RECEIPT TIME	X(06)	6

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USER FILE NAME COUNTY LIEN FILING-DETAIL RECORD	RECORD TYPE

DEPARTMENT DEPT. OF TREASURY	DIVISION STAR	SECTION

FILE IDENTIFIER TC02752	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 1556	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS Lien detail file generated by MARCS to counties for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1527	1527	AM-PM	X(01)	1
1528	1532	DOC-AMT	S9(3)V99	5
1533	1537	ATTACH-AMT	S9(3)V99	5
1538	1547	FILLER	X(10)	10
1548	1554	ORIG LIEN NUM	9(07)	7
1555	1556	FILLER	X(02)	2

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| USER FILE NAME
COUNTY LIEN HEADER RECORD | RECORD TYPE
HEADER | |

| DEPARTMENT
DEPT. OF TREASURY | DIVISION
STAR | SECTION |

| FILE IDENTIFIER | FILE MEDIA
DISK | LABEL TYPE
STANDAR | RECORD SIZE
1556 | BLOCKING FACTOR | BLOCK SIZE |

| FILE IORGANIZATION

INDEXED

☐ SEQUENTIAL ☐
RELATIVE | SEQUENCE | REMARKS

Lien header file generated
by counties to MARCS. |

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	3	HEADER "HDR"	X (3)	3
4	5	COUNTY CODE	9 (2)	2
6	45	COUNTY NAME	X (40)	40
46	53	BATCH DATE CCYYMMDD	9 (8)	8
54	58	TOTAL NUMBER OF LIENS	9 (5)	5
59	63	TOTAL NUMBER OF RELEASES	9 (5)	5
64	68	TOTAL NUMBER OF REINSTATES	9 (5)	5
69	73	TOTAL REJECTED NUMBER OF LIENS	9 (5)	5
74	78	TOTAL REJECTED NUMBER OF RELEASES	9 (5)	5
79	83	TOTAL REJECTED NUMBER OF REINSTATES	9 (5)	5
84	90	MARCS SEQUENCE NUMBER	9 (7)	7
91	95	TOTAL REISSUE	9 (5)	5
96	100	TOT-REJ-REISSUE	9 (5)	5
101	1556	FILLER	X (1456)	1456

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USER FILE NAME COUNTY LIEN FILING-DETAIL RECORD		RECORD TYPE	

DEPARTMENT DEPT. OF TREASURY	DIVISION STAR		SECTION

FILE IDENTIFIER TC02753	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 1556	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS Lien detail file generated by counties to MARCS for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
1	9	LEGAL ACTION NUMBER	9 (9)	9
		ACCOUNT ID		
10	10	BUSINESS/INDIVIDUAL INDICATOR "F" OR "S"	X (1)	1
11	19	ACCOUNT NO (SSN/BUS NO)	X (9)	9
20	20	SAC/TAX INDICATOR "S" OR SPACES	X (1)	1
		SECONDARY ACCOUNT ID		
21	21	SECONDARY BUSINESS/INDIVIDUAL INDICATOR	X (1)	1
22	30	SECONDARY ACCOUNT NO (SSN/BUS NO)	9 (9)	9
31	31	SECONDARY SAC/TAX INDICATOR "S" OR	X (1)	1
32	38	LIEN NUMBER	9 (7)	7
39	46	LIEN ISSUE DATE CCYYMMDD	9 (8)	8
47	69	PRIMARY-LAST NAME	X (23)	23
70	88	PRIMARY-FIRST NAME	X (19)	19
89	89	PRIMARY-MIDDLE INITIAL	X (1)	1

90	90	PRIMARY-GENERATION CODE JR, SR, II, III, ETC.	X (1)	1
91	113	SECONDARY-LAST NAME	X (23)	23
114	132	SECONDARY-FIRST NAME	X (19)	19
133	133	SECONDARY-MIDDLE INITIAL	X (1)	1
134	134	SECONDARY-GENERATION CODE JR, SR,	X (1)	1

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USER FILE NAME	RECORD TYPE
COUNTY LIEN FILING-DETAIL RECORD	

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	STAR	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02753	DISK	STANDARD	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien detail file generated by counties to MARCS for recording.

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
135	177	LIEN NAME	X (43)	43
178	207	LIEN ADDRESS LINE 1	X (30)	30
208	237	LIEN ADDRESS LINE 2	X (30)	30
238	267	LIEN ADDRESS LINE 3	X (30)	30
268	297	LIEN ADDRESS LINE 4	X (30)	30
298	316	LIEN CITY	X (19)	19
317	318	LIEN STATE	X (2)	2
319	327	LIEN ZIP CODE	X (9)	9
328	328	REAL PROPERTY INDICATOR "Y" OR SPACES	X (1)	1
329	329	PERSONAL PROPERTY INDICATOR "Y"	X (1)	1
330	330	REAL & PERSONAL PROPERTY INDICATOR	X (1)	1
331	341	TOTAL LIEN AMOUNT	S9 (9) V99	11

342	343	COUNTY CODE "63" FOR OAKLAND	9 (2)	2
344	345	NUMBER OF ASSESSMENTS	9 (2)	2
346	1265	ASSESSMENT DATA OCCURS 20 TIMES		
		ASSESSMENT NUMBER EX·I519400	X (7)	7
		TAX TYPE WITHHOLDING TAX	X (20)	20
		ASSESSMENT DATE CCYYMMDD	9 (8)	8

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| USER FILE NAME | RECORD TYPE |
| COUNTY LIEN FILING-DETAIL RECORD | |

| DEPARTMENT | DIVISION | SECTION |
| DEPT. OF TREASURY | STAR | |

| FILE IDENTIFIER | FILE MEDIA | LABEL TYPE | RECORD SIZE | BLOCKING FACTOR | BLOCK SIZE |
| TC02753 | DISK | STANDAR | 1556 | | |

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐		Lien detail file generated by counties to MARCS for recording.
☐ SEQUENTIAL ☐ RELATIVE		

FROM	THRU	DESCRIPTION	*FORMAT*	LENGTH
		ASSESSMENT UNPAID BALANCE EX: 759.28	S9 (9) V99	11
1266	1266	COUNTY APPROVAL/DENIAL FLAG "A" "D"	9 (1)	1
1267	1274	COUNTY APPROVAL/DENIAL DATE CCYYMMDD	X (8)	8
1275	1277	COUNTY DENIAL REASON CODE	9 (3)	3
1278	1282	TOTAL NUMBER OF ASSESSMENTS LIENED	X (5)	5
1283	1302	ORIGINAL LIBER NUMBER	X (20)	20
1303	1322	ORIGINAL PAGE NUMBER	X (20)	20
1323	1349	ORIGINAL FILING NUMBER	9 (27)	27
1350	1357	ORIGINAL FILING DATE CCYYMMDD	X (8)	8
1358	1377	LIBER NUMBER-REL/REINSTATE	X (20)	20
1378	1397	PAGE NUMBER-REL/REINSTATE	X (20)	20
1398	1424	FILING NUMBER-REL/REINSTATE	9 (27)	27
1425	1432	FILING DATE-REL/REINSTATE CCYYMMDD	X (8)	8
1433	1434	LEGAL ACTION TYPE "RE", "RL" "OR"	X (2)	2
1435	1509	SIGNATOR	9 (75)	75
1510	1513	SIGNATOR CODE EX: 0001 FOR MARY MACD	9(04)	4
1514	1520	RECEIPT NUMBER	X(07)	7
1521	1526	RECEIPT TIME	X(06)	6

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USER FILE NAME	RECORD TYPE
COUNTY LIEN FILING-DETAIL RECORD	

DEPARTMENT	DIVISION	SECTION
DEPT. OF TREASURY	STAR	

FILE IDENTIFIER	FILE MEDIA	LABEL TYPE	RECORD SIZE	BLOCKING FACTOR	BLOCK SIZE
TC02753	DISK	STANDAR	1556		

FILE IORGANIZATION	SEQUENCE	REMARKS
INDEXED ☐ ☐ SEQUENTIAL ☐ RELATIVE		Lien detail file generated by counties to MARCS for recording.

FROM	THRU	DESCRIPTION	FORMAT	LENGTH
1527	1527	AM-PEM	X(01)	1
1528	1532	DOC-AMT	S9(3)V99	5
1533	1537	ATTACH-AMT	S9(3)V99	5
1538	1547	FILLER	X(10)	10
1548	1554	ORIG LIEN NUM	9(07)	7
1555	1556	FILLER	X (2)	2

3.g Trans Union record file layouts

AD01—Address Segment

Address (AD01) Segment				Total Length: 105 bytes
Field	**Displace-ment**	**Length**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **AD01** unless the address is a future address. The segment type for a future address is **FA01**.
Segment Length	5	3	N	Value is **105**.
Source Indicator	8	1	A	Indicates whether the address was sent in the FFI or is the address that appears in the file. Possible values are: **I** Address received in the inquiry **F** Address that appears on the database **B** Address that appears on database that best matches input **A** Address that appears on the RPA database **D** Address that appears on vendor database
Address Qualifier	9	1	A/N	Indicates whether the returned address is personal or employment. Possible values are: **1** Personal **2** Employment **5** Business **6** Both Residential and Business Address or not known **P** Previous personal address (previous addresses are positional: the most recent previous address always precedes the second most recent). This value is returned only for Total ID and Compliance Verification.
Filler	10	1	A/N	*For future use*.
House Number	11	10	A/N	Identifies the subject's house number in a street address.
Predirectional	21	2	A	Specifies the street directional (N, S, E, W, NE, SE, NW, SW) in a street address.
Street Name	23	27	A/N	Specifies the subject's street name in a street address.
Postdirectional	50	2	A	Specifies a street directional (N, S, E, W, NE, SE, NW, SW) that appears after a street name.
Street Type	52	2	A	Specifies the type of street in a street address.

Apartment/Unit Number	54	5	A/N	Specifies an apartment or unit number in a street address.
City	59	27	A	Specifies the name of the subject's city.
State	86	2	A	Specifies the name of the subject's state.
ZIP Code	88	10	A/N	Specifies the subject's ZIP Code. This field is left justified.
Date Reported	98	8	A/N	Specifies the date this address was reported in the format CCYYMMDD.

AM01—Address Analysis Segment

Address Analysis (AM01) Segment				Total length: 22 bytes
Field	**Displac e-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **AM01**.
Segment Length	5	3	N	Value is **022**.
Input Address Index	8	2	A/N	**01** Current Address **02** Previous Address
File Address Index	10	2	A/N	**01** Current Address **02** 1st Previous Address **03** 2nd Previous Address
House Number Match	12	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Pre-Directional Match	13	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Street Name Match	14	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Street Type Match	15	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Filler	16	1	A/N	*Reserved for future use*
City Name Match	17	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
State Code Match	18	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Zip Code Match	19	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined
Filler	20	1	A/N	*Reserved for future use*
Filler	21	1	A/N	*Reserved for future use*
Apartment Number Match	22	1	A/N	**Y** Exact Match **N** Not an Exact Match **I** Match cannot be determined

CD01—Customer Data Segment

Customer Data (CD01) Segment				Total Length: 41 bytes
Field	**Displace-ment**	**Length**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **CD01**.
Segment Length	5	3	N	Value is **041**.
Customer Identifier Qualifier	8	2	A/N	Identifies the type of information sent in the Customer Identifier field. Possible values are: **5** Customer's Internal User ID **6** Service Requestor
Customer Identifier	10	20	A/N	Contains the value sent in the FFI.
Reserved for internal use	30	4	A/N	Will be blank-filled
Filler	34	8	A/N	

ENDS—Transaction Ending Segment

Transaction Ending (ENDS) Segment				Total length: 10 bytes
Field	**Displace-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **ENDS**.
Segment Length	5	3	N	Value is **010**.
Total Number of Segments	8	3	N	Specifies the total number of segments contained in this transaction, including TU4R and ENDS.

NM01—Name Segment

Name (NM01) Segment				Total length: 70 bytes
Field	**Displace-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **NM01**.
Segment Length	5	3	N	Value is **070**.
Source Indicator	8	1	A	Indicates whether the listed name was sent in the FFI or is the name that appears in the file. Possible values are: **I**　Name that was part of operator input **F**　Name that appears in the returned file **A**　Name that appears on the RPA database **D**　Name that appears on vendor database **B**　Address that appears on database that best matches input
Name Indicator	9	1	A/N	Defines the type of name that is returned. Possible values are: **1**　Primary name **2**　Secondary name **3**　Alias name **4**　Currently not used **5**　Business name **6**　Both Residential and Business name or not known
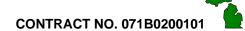
Last Name	10	25	A	Specifies the subject's last name unless the returned name is an alias or a business. The complete unparsed alias name is returned in this field. **Note:** If Name Indicator is 5 (business) or 6 (unknown), then the complete name is displayed beginning in displacement 10 and spanning the Last Name, First Name, Middle Name, Prefix, and Suffix fields. The total length for such a name is 61 bytes.
First Name	35	15	A	Specifies the subject's first name, as a full name or as an initial.
Middle Name	50	15	A	Specifies the subject's middle name, as a full name or as an initial.
Prefix	65	3	A/N	Specifies the prefix that is part of the subject's name.
Suffix	68	3	A/N	Specifies the suffix that is part of the subject's name.

PH01—Service Header Segment

Service Header (PH01) Segment				Total length: 12 bytes
Field	**Displace-ment**	**Length**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **PH01**.
Segment Length	5	3	N	Value is **012**.
Service Code	8	5	A/N	Specifies the service code. This field contains the value that was sent in the FFI.

PI01—Personal Information Segment

Personal Information (PI01) Segment				Total length: 29 bytes
Field	**Displace-ment**	**Length**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **PI01**.
Segment Length	5	3	N	Value is **029**.
Source Indicator	8	1	A	Indicates whether the listed data was sent in the FFI or is the data that appears in the file. Possible values are: **I** Data was received in inquiry **F** Data that appears on the database **D** Address that appears on vendor database
Social Security Number	9	9	A/N	Lists the subject's social security number. No dashes are included.
Date of Birth	18	8	A/N	Specifies the subject's date of birth in one of these formats: **CCYYMMDD** Year, month, and day of birth **CCYY-E** Estimated year of birth followed by a dash and the letter E
Age	26	3	A/N	Displays the subject's age in years.
Gender	29	1	A	Specifies whether the subject is male or female. Possible values are: **M** Male **F** Female *Blank* No information available

PN01—Phone Number Segment

Phone Number (PN01) Segment				Total length: 27 bytes
Field	**Displac e-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **PN01**.
Segment Length	5	3	N	Value is **027**.
Source Indicator	8	1	A	Indicates whether the listed data was sent in the FFI or is the data that appears in the file. Possible values are: **I** Data that was part of the inquiry **F** Data that appears in the returned file **A** Phone number that appears on the RPA database **D** Address that appears on vendor database
Phone Qualifier	9	1	A/N	Indicates the relationship of the phone number assignee to the subject. Possible values are: **1** Personal **2** Employment **3** Inquiry credit grantor **4** Reporting credit grantor **5** Business **6** Both residential and business number or not known

Phone Type	10	2	A/N	Specifies the type of communication device to which this number is assigned. Possible values **for Fraud Detect, Fraud ID-TECT, and Total ID** are: **01** Phone (voice, standard) **02** Fax **03** Cellular **04** Pager **05** Toll-free **06** Mobile **07** Non-geographic **08** Special services **09** Undefined **10** New **11** Pay phone **99** Not requested or no derogatory information For a list of the phone type codes returned by **RPA**, refer to Appendix A, "Name, Address, and Phone Codes."
Availability Indicator	12	1	A	Indicates whether this phone number is listed. Possible values are: **L** Listed **U** Unlisted
Area Code	13	3	A/N	Lists the phone number's area code.
Telephone Number	16	7	A/N	Lists the phone number.
Extension	23	5	A/N	Lists the phone number extension.

SH01—Subject Header Segment

Subject Header (SH01) Segment				Total length: 27 bytes
Field	**Displac e-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **SH01**.
Segment Length	5	3	N	Value is **027**.
Subject Identifier	8	1	N	Indicates to which subject the displayed consumer information applies. Possible values are: **1** First subject **2** Second subject
File Number	9	2	N	Specifies the file number (of those returned for this subject).
File Hit	11	1	A	Specifies whether this file is a no-hit. Possible values are: **Y** Regular hit on file—all files are returned **C** Hit on file, but one or more files not returned because of failure to pass California subject selection criteria—more identification information is needed **N** Regular no-hit—a no-hit file is returned **X** No-hit file is returned, but files exist that do not pass California subject selection criteria—more identification information is needed **H** Subject hit (Fraud Detect only) **P** Clear for all searches performed (Fraud Detect only)
SSN Match Indicator	12	2	A/N	Describes how the file matched or did not match on the input SSN. Possible values are: **00** No-hit returned—no match processing performed **01** No match on SSN **02** No SSN on file but SSN appears on input **03** No SSN on input but SSN on file **04** No SSN on input and no SSN on file **05** Exact match between SSN on input and SSN on file **06** Difference of 1 digit between SSN on input and SSN on file **07** Difference of 2 digits between SSN on input and SSN on file

Consumer Statement Indicator	14	1	A/N	Indicates whether a consumer statement was returned with this file. Possible values are: **N** No consumer statement on file **Y** Consumer statement present on file
Bureau Market File Control	15	2	A/N	Identifies the market code of the owning credit bureau (the contact for Consumer Relations Services). *Returned only for permissible purpose services.*
Bureau Submarket File Control	17	2	A/N	Identifies the submarket code of the owning credit bureau (the contact for Consumer Relations Services). *Returned only for permissible purpose services.*
Suppression Indicator	19	1	A	Indicates whether the credit data in the file is returned. If suppressed, the remaining credit data fields will be blank or filled with zeroes and no credit segments are returned. Contact the owning bureau for more information. Possible values are: **Y** Credit data suppressed **N** Credit data not suppressed **P** Do not promote **F** Frozen by consumer as allowed by state law. To obtain access, you must obtain authorization from the consumer and provide the required identifier with your inquiry. **E** Frozen by consumer as allowed by state law. File is returned due to exempted use. **X** Frozen by consumer as allowed by state law. File is returned due to exempted use. Do not promote. **D** Not returned: per Georgia law disputed data on file. **M** Not returned: file may belong to a minor, verify consumer.
In File Since Date	20	8	A/N	Defines in the CCYYMMDD format the date the subject was first placed on file.

TA01—ID Mismatch Alert Segment

ID Mismatch Alert (TA01) Segment				Total length: 12 bytes
Field	**Displace-ment**	**Length**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **TA01**.
Segment Length	5	3	N	Value is **012**.
Address Type	8	1	A/N	Indicates whether the ID Mismatch Alert message refers to a current address or a previous address. Possible values are: **C** Current address **P** Previous address This field will be blank if the Message Type value is 2, 4, or 5.
Message Type	9	1	A/N	Indicates the type of ID Mismatch Alert message that this segment contains. Possible values are: **1** Address alert **2** SSN alert **3** ZIP Code alert (transaction can contain two TA01 segments of this type, one each for current and previous ZIP Codes) **4** Surname alert **5** Recorded inquiries alert
Alert Condition	10	1	A/N	Indicates the condition that invoked the ID Mismatch Alert message. Possible values are: **1** Mismatch—input does not match file **2** Invalid information This field will be blank if the Message Type is **5**.
Number of Inquiries in Last 60 Days	11	2	A/N	Indicates the number of inquiries on this file in the last 60 days.

TU4R—Transaction Control Segment

Transaction Control (TU4R) Segment				Total length: 62 bytes
Field	**Displace-ment**	**Lengt h**	**Type**	**Description**
Segment Type	1	4	A/N	Value is **TU4R**.
Segment Length	5	3	N	Value is **062**.
Version Switch	8	1	N	Defines the TU40 FFR record version. Possible values are: **0** TU40 version 0 **1** TU40 version 1
Country Code	9	1	A/N	Accommodates Canadian access. Possible values are: **1** United States **2** Canada **Note:** Refer to the Canadian version of the TransUnion "Automated Inquiry User Manual" for special Canadian segments, table definitions, and so on.
Language Indicator	10	1	N	Defines the language used for print images and error message text: **1** English **2** Spanish (U.S. only) **3** French (Canada only)
User Reference Number	11	24	A/N	Associates an FFI with an FFR. This field contains the value sent in the FFI.
Bureau Market	35	2	N	Identifies the retailing bureau. This field contains the value sent in the FFI.
Bureau Submarket	37	2	A/N	Identifies the retailing bureau. This field contains the value sent in the FFI.
Industry Code	39	2	A/N	Identifies the customer's type of business. This field contains the value sent in the FFI.
Member Code	41	8	A/N	Identifies the customer's member code. This field contains the value sent in the FFI.
Transaction Date	49	8	A/N	Specifies the date the transaction was processed in the format CCYYMMDD.
Transaction Time	57	6	A/N	Specifies the time the transaction was processed in the format HHMMSS.

3.h Data refresh record file layout

G Michigan Department of Treasury
OA4007 (Rev. 5/84)

A-1521
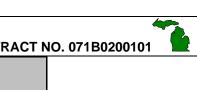
4:42:00 PM

Save Date: 12/15/2015

EDP FILE DESCRIPTION	DATE 07/07/99	Page 304 of 396

USER FILE NAME TC02762Q01	RECORD TYPE ACCT REFRESH RECORDS FROM	

DEPARTMENT DEPT. OF TREASURY	DIVISION COLLECTIONS	SECTION

FILE IDENTIFIER TC02762Q01	FILE MEDIA DISK	LABEL TYPE STANDAR	RECORD SIZE 11	BLOCKING FACTOR	BLOCK SIZE

FILE IORGANIZATION ☐ INDEXED ⊠ SEQUENTIAL ☐ RELATIVE	SEQUENCE	REMARKS THIS RECORD IS USED TO REQUEST AN ACCOUNT REFRESH WHEN AN ACCOUNT HAS BEEN IDENTIFIED AS BEING OUT OF SYNCHRONIZATION.

FROM	**THRU**	**DESCRIPTION**	*FOR*	**LENGTH**
1	11	ACCOUNT ID	X(11)	11

3.i. BCP to MARCS.

Column Name	Type
DEBTOR_ID	varchar(18)
BKP_REF_NUM	varchar(18)
BKP_SECTION_STATUS	char(1)
BKP_SECT_CLOSED_DATE	smalldatetime
BKP_CASE_DEBTOR_NAME	varchar(100)
COURT_DOCKET_NUMBER	varchar(15)
BKP_CHAPTER_NUMBER	char(2)
BKP_COURT_STATUS	char(1)
ASSET_NO_ASSET_FLAG	char(1)
CONVERSION_IND	char(1)
HARDSHIP_IND	char(1)
PETITION_DATE	smalldatetime
CREDITS_MEETING_DATE	smalldatetime
BAR_DATE	smalldatetime
CLAIM_SENT_DATE	smalldatetime
CLAIM_FILED_DATE	smalldatetime
CONVERTED_DATE	smalldatetime
CONFIRMATION_DATE	smalldatetime
DISCHARGE_DATE	smalldatetime

Column Name	Type
DISMISSAL_DATE	smalldatetime
FINAL_REPORT_DATE	smalldatetime
COURT_CLOSE_DATE	smalldatetime
PLAN_CONFIRMED_DATE	smalldatetime
TOTAL_CLAIM_AMOUNT	decimal(11,2)
SECURED_AMOUNT	decimal(11,2)
PRIORITY_AMOUNT	decimal(11,2)
PENALTY_AMOUNT	decimal(11,2)
UNSECURED_AMOUNT	decimal(11,2)
UNSECURED_PENALTY_ AMOUNT	decimal(11,2)
ADMINISTRATIVE_AMOU NT	decimal(11,2)
DUPL_SEC_AMOUNT	decimal(11,2)
DUPL_PRIORITY_AMOUN T	decimal(11,2)
DUPL_PENALTY_AMOUN T	decimal(11,2)
DUPL_UNSEC_AMOUNT	decimal(11,2)
DUPL_UNSEC_PEN_AMO UNT	decimal(11,2)
DUPL_ADMIN_AMOUNT	decimal(11,2)
TOTAL_CLAIM_PAYMENT	decimal(11,2)
MEMO_LINE	varchar(255)
TRUSTEE_NAME	varchar(35)

Column Name	Type
TRUSTEE_PHONE	varchar(14)
ATTORNEY_NAME	varchar(35)
ATTORNEY_PHONE	varchar(14)
LAST_UPDATED_BY	char(8)
DATE_TIME	datetime

3.j. BCP to GAL.

TM01BCP File Layout

User File Name:	BCP Bankruptcy Data				Revised Date:	
File Type: Disk	Division: Collections					15-Jun-06
FILE ID:	TM01226Q01	Label Type:		Rec Size	Blocking Factor/Size	
Sequence Account				42	540/22680	
LAN ID:	S:\its\DOC\DEV\Tm01\226\TM01226Q01.XLS			Estimated Volume: 35,000		
From	To	Description	Format	Length	Values	
1	1	Individual Account	CHAR	1	Y or N	
2	10	Account	CHAR	9		
11	18	BA Filed Date	NUM	8	CCYYMMDD	
19	34	Bankruptcy Case	CHAR	16		
35	36	Chapter Type	NUM	2		
37	40	Name Control	CHAR	4	First 4 Characters	
41	42	Filler	CHAR	2		
		Other File IDS: TM01BCP				

BCP table/field information

File Field Name	Sample Data	BCP Table	BCP Field Name
Individual Account	Y	creditor_debtor	Is_Indiv
Account	111223333	creditor_debtor	• Individual - Cred_Deb_Ssn • Business - Cred_Deb_Tax_Id
BA Filed Date	20060129	bankruptcy	Dop_Date
Bankruptcy Case	01-23456 AAA	case_maint	Case_Num
Chapter Type	7	case_maint	Chapter
Name Control	SMIT	creditor_debtor	• Individual – Cred_Deb_Lname • Business – Cred_Deb_Name
Filler	N/A	N/A	N/A
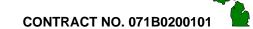
3.k. County Lien Fees to MAIN.

- File Name   : TL560551.T01 (Warrant Record)
  Organization : Sequential
  Mode   : Output
  Record Size   : 468

Description	Format	Remarks / Defaults
A_DOC_AGENCY	X(3)	'271'
A_CUR_DOC_GRP		
A_CUR_DOC_TYPE	X(2)	'VZ'
A_CUR_DOC_SAI	X(2)	'T4'
A_CUR_DOC_REM	X(4)	CO_COUNTY_DTL_BATCH.CUR_DOCUMENT_NUMBER
A_FISCAL_YR	X(2)	if cur.month() < 'OCT' then cur.year() else cur.year() + 1 endif
A_VEND_ID_GRP		
A_VEND_BUS_SOC	X(1)	'F'
A_VEND_NO	X(9)	CO_COUNTY_MSTR.VEND_NO
A_INVOICE_NO	X(14)	Spaces
A_VEND_MAILCODE	X(3)	Spaces
A_REC_TYPE	9(1)	1
A_REC_NBR	9(2)	1
A_OPERATOR_ID	X(8)	'INT27101'
A_DISB_METHOD	X(1)	'R'
A_TRANS_CODE	X(3)	'282'
A_MODIFIER	X(1)	Spaces
A_INDEX	X(5)	'23310'
A_PAY_DIST_1	X(1)	'S'
A_PAY_DIST-2	X(1)	'D'
A_DESCRIPTION	X(30)	Spaces
A_VEND_NAME	X(50)	CO_COUNTY_MSTR.CNTY_NME
A_VEND_ADDR_1	X(50)	CO_COUNTY_MSTR.CNTY_ADDR_2
A_VEND_ADDR_2	X(50)	CO_COUNTY_MSTR.CNTY_ADDR_3
A_VEND_ADDR_3	X(50)	CO_COUNTY_MSTR.CNTY_ADDR_4
A_VEND_STREET	X(50)	CO_COUNTY_MSTR.CNTY_ADDR_1
A_VEND_CITY	X(20)	CO_COUNTY_MSTR.CNTY_CITY
A_VEND_STATE	X(2)	CO_COUNTY_MSTR.CNTY_STATE
A_VEND_ZIP_1_5	X(5)	CO_COUNTY_MSTR.CNTY_ZIP(1-5 characters)
A_VEND_ZIP_6_9	X(4)	CO_COUNTY_MSTR.CNTY_ZIP(6-9 characters)

A_CARR_CD	X(2)	'00'
A_COUNTRY_CODE	X(3)	Spaces
A_BANK_ID	X(3)	'000'
A_BATCH_ID_GRP		
A_BATCH_AGENCY	X(3)	'28A'
A_BATCH_DATE	X(8)	BATCH_DATE as CCYYMMDD
A_BATCH_TYPE	X(1)	'4'
A_BATCH_NO	X(3)	CO_DATE.PARAMETER
A_CUR_DOC_SUF	X(3)	'001'
A_COMP_OBJ	9(4)	0
A_DUE_DATE	9(8)	BATCH_DATE as CCYYMMDD
A_PMT_AMT	S9(11)V99	PMT_AMT
A_REVERSE	X(1)	Spaces
A_AGENCY	X(3)	'271'
A_PCA	X(5)	Spaces
A_AGENCY_OBJ	X(4)	'6155'
A_AGENCY_3	X(6)	Spaces
FILLER	X(24)	Spaces

- File Name   : TL560552.T01 (Remittance Record)
  Organization : Sequential
  Mode   : Output
  Record Size   : 468

Description	Format	Remarks / Defaults
B_DOC_AGENCY	X(3)	'271'
B_CUR_DOC_GRP		
B_CUR_DOC_TYPE	X(2)	'VZ'
B_CUR_DOC_SAI	X(2)	'T4'
B_CUR_DOC_REM	X(4)	CO_COUNTY_DTL_BATCH.CUR_DOCUMENT_NUMBER
B_FISCAL_YR	X(2)	if cur.month() < 'OCT' then cur.year() else cur.year() + 1 endif
B_VEND_ID_GRP		
B_VEND_BUS_SOC	X(1)	'F'
B_VEND_NO	X(9)	CO_COUNTY_MASTER.VEND_NO
B_INVOICE_NO	X(14)	Spaces
B_VEND_MAILCODE	X(3)	Spaces
B_REC_TYPE	9(1)	2
B_REC_NBR	9(2)	1
B_REM_PAGE_1	9(2)	0
B_REM_LINE_1	9(2)	0
B_REM_TEXT_1	X(78)	' 386004834 T4M588000000000000{000000000070{199709'
B_REM_PAGE_2	9(2)	1
B_REM_LINE_2	9(2)	1
B_REM_TEXT_2	X(78)	⬅========= RESERVED =========➡
B_REM_PAGE_3	9(2)	1
B_REM_LINE_3	9(2)	2
B_REM_TEXT_3	X(78)	⬅========= RESERVED =========➡
B_REM_PAGE_4	9(2)	1
B_REM_LINE_4	9(2)	3
B_REM_TEXT_4	X(78)	⬅========= RESERVED =========➡
B_REM_PAGE_5	9(2)	1
B_REM_LINE_5	9(2)	4
B_REM_TEXT_5	X(78)	⬅========= RESERVED =========➡
FILLER	X(15)	Spaces

- File Name   : TL560553.T01 (Control Record)
  Organization : Sequential
  Mode   : Output
  Record Size   : 468

Description	Format	Remarks / Defaults
C_SORT_KEY	9(40)	All '9s'
C_REC_TYPE	9(1)	3
C_SYSTEM_DATE	9(8)	System Date as CCYYMMDD
C_NBR_WAR	9(6)	NBR_WAR
C_AMT_WAR	S9(10)V99	AMT_WAR
FILLER	X(401)	Spaces

EXHIBIT C
SAFEGUARD REQUIREMENTS OF CONFIDENTIAL DATA

This section sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan applicable to State contractual agreements in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication.

   I.   Authority

Authority for the Michigan Department of Treasury to require that this section be included in the Contract is contained in l941 PA 122, as amended, MCL 205.28(1)(f), which states in part that subject to the same restrictions and penalties imposed upon department employees on the treatment of confidential information, a private contractor or its employees are strictly prohibited from disclosing taxpayer information to a third party. The prohibition against disclosure does not bar an employee of a private contractor with whom the State of Michigan (State) contracts that processes tax returns or payments pursuant to the Contract from having access to confidential information that is reasonably required for the processing or collection of amounts due this State. Private contractors and any subcontractors will follow Treasury guidelines for authorized representatives.

   II. Confidentiality

It is agreed that all information exchanged under this section will be kept confidential in accordance with the confidentiality provisions contained within section MCL 205.28(1)(f) and MCL 205.28(2) of the Michigan Department of Treasury Revenue Act, which state in part;

   "Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department will not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department."

   "A person who violates subsection (1)(e), (1)(f), or (4) is guilty of a felony, punishable by a fine of not more than $5,000.00, or imprisonment for not more than 5 years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person will be dismissed from office or discharged from employment upon conviction."

All information obtained by either Treasury or Contractor will not be disclosed except as necessary for the proper administration of and execution of the Contract. In the event, confidentiality statutes are amended, the State will notify Contractor of any changes.

No employee, agent, authorized representative or legal representative of Contractor will disclose any information obtained by virtue of this section to any other division within their company or any other governmental agency, department or unit within such governmental agency, to any other state or nation, or unauthorized third party. No tax returns or tax return information provided to Contractor will be duplicated or disseminated within or outside the company without the written approval of the Contract Compliance Inspector. Michigan's tax returns and tax return information remain the property of the Department of Treasury.

Contractor may use a taxpayer's name, address and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of any tax in the performance of the Contract. The use of the Social Security number must be in accordance with the state Social Security Number Privacy Act 454 of 2004, as amended.

Information received by the Michigan Department of Treasury from the U.S. Internal Revenue Service, pursuant to section 6103(d) of the Internal Revenue Code or any other U.S. federal Agency will only be subject to the exchange if received as part of the State of Michigan tax return filing requirements.

III. Procedure for Security

At a minimum, Contractor will safeguard any tax return information obtained under the Contract as follows:

A. Access to the tax returns and tax return information will be allowed only to those authorized employees and Officials of Contractor who need the information to perform their official duties in connection with the uses of the information authorized in the Contract. The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has signed the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Disclosure Officer and Contract Compliance Inspector.

B. Any records created from tax returns and tax return information will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as off-duty hours or when not in use.

C. All personnel who will have access to the tax returns and to any records created by the tax return information will be advised of the confidential nature of the information, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in MCL 205.28(1)(f) and (2) through disclosure awareness training.

D. All confidential information, which includes, but is not limited to, data stored electronically and any related output and paper documents will be secured from unauthorized access and with access limited to designated personnel only. Michigan tax return information will not be commingled with other information. Further, when appropriate, Michigan tax return information will be marked as follows:

E. The records will be transported under appropriate safeguards as defined in the Contract.

F. The Department of Treasury, Disclosure Officer or Contract Compliance Inspector may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Contractor.

G. The Michigan Department of Treasury, Disclosure Officer, may monitor compliance of systems security requirements during the lifetime of the Contract.

H. Contractor will also adopt policies and procedures to ensure that information contained in their respective records and obtained from Treasury and taxpayers will be used solely as provided in the Contract.

IV. Computer System Security of Tax Data

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Computer system security and physical security of tax data stored and processed by Contractor must be in

compliance with the following security guidelines and standards established by the Michigan Department of Treasury

as follows (these guidelines apply to any computer system developed by Contractor, either through its own systems

staff, or through a contractor, subcontractor or vendor):

A. **Controlled Access Protection**
    All computer systems processing, storing and transmitting Michigan tax information must have computer access protection controls. These security standards are delineated in the National Institute of Standards and Technology (NIST) Special Publications number 800-53 "Recommended Security Controls for Federal Information Systems" at http://csrc.nist.gov/publications/PubsSPs.html. To meet these standards, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation.

    1) **Security Policy** – A security policy is a written document describing the system in terms of categories of data processed, users allowed access and access rules between the users and the data. Additionally, it describes procedures to prevent unauthorized access by clearing all protected information on objects before they are allocated or reallocated out of or into the system. Further protection must be provided where the computer system contains information for more than one program/project, office, or Agency and that personnel do not have authorization to see all information on the system.

2) **Accountability** – Computer systems processing Michigan tax information must be secured from unauthorized access. All security features must be available (audit trails, identification and authentication) and activated to prevent unauthorized users from indiscriminately accessing Michigan tax information. Everyone who accesses computer systems containing Michigan tax information is accountable. Access controls must be maintained to ensure that unauthorized access does not go undetected. Computer programmers and contractors who have a need to access databases, and are authorized under the law, must be held accountable for the work performed on the system. The use of passwords and access control measures must be in place to identify who accessed protected information and limit that access to persons with a need to know.

   a) **On-line Access** –Users will be limited to any Treasury on-line functions, by limiting access through functional processing controls and organization restrictions.

   Any employee granted access privileges through the Contractor's Security Administrator will be **approved for access and viewing rights to Treasury on-line systems by the Department of Treasury Security Administrator. The on-line access will be provided by Treasury's Security Division.**

   b) **Operating Features of System Security**
   Contractor must meet the following levels of protection with respect to tax return information. Individual user accountability must be ensured through user identification number and password.

   i.   Access rights to confidential tax information must be secured through appropriate levels of authorization.

   ii.   An audit trail must be maintained of accesses made to confidential information.

   iii. All confidential and protected information must be cleared from a system before it is used for other purposes not related to the enforcement, collection or exchange of data not covered by this section or by an addendum to this Contract.

   iv.   Hard copies made of confidential tax return information must be labeled as confidential information.

   v.   Confidential Treasury tax information will be blocked or coded as confidential on system.

   vi.   Any computer system in which Michigan tax return information resides must systematically notify all users upon log-in of the following disclosure penalties for improperly accessing or making an authorized disclosure of Michigan tax return information:

NOTICE TO STATE AGENCY EMPLOYEES AND AUTHORIZED REPRESENTATIVES

This system contains Michigan Department of Treasury tax return information. ***DO NOT DISCLOSE OR DISCUSS MICHIGAN RELATED TAX RETURN INFORMATION*** *with unauthorized individuals. The Michigan Department of Treasury Revenue Act, MCL 205.28(10(f)(1), (2), prohibits such disclosure. A person making a willful unauthorized disclosure or inspection (browsing) of tax return information may be charged with the following Michigan penalties:*

MICHIGAN PENALTIES
The Michigan Revenue Act imposes criminal penalties up to $5,000 and/or imprisonment for 5 years, plus costs and dismissal from employment if it is found that an employee has made an unauthorized disclosure of a tax return or tax return information or divulged audit selection or processing parameters.

This statement is subject to modification. A confidentiality statement, subject to modification, as needed, will be sent annually by the Security Administrator to all employees, contractors, and legal representatives of Contractor.

3) **Assurance** – Contractor must ensure that all access controls and other security features are implemented and are working when installed on their computer system. Significant enhancements or other changes to a security system must follow the process of review, independent testing, and installation assurance. The security system must be tested at least annually to assure it is functioning correctly. All anomalies must be corrected immediately.

   a) The Contractor must initiate corrective action for all non-conformities as soon as detected and immediately advise the Contract Compliance Inspector. Notice of the corrective action must be provided to the Contract Compliance Inspector. All non-conformities must be reported to the Contract Compliance Inspector with the following:

      i.. Duration of non-conformity/interruption
      ii. Reason for non-conformity/interruption
      iii. Resolution.

   b) All non-conformities to the specifications/tasks of the Contract must be corrected within four (4) hours. The State recognizes there will be instances when adherence to this time frame will not be possible. However, the State will only tolerate this on an exception basis. To request an exception to this time frame, the Contractor must submit a detailed project plan to address the non-conformity within four (4) hours to the Contract Compliance Inspector for approval.

4) **Documentation** – Design and test documentation must be readily available to the state. The developer or manufacturer should initially explain the security mechanisms, how they are implemented and their adequacy (limitations). This information should be passed on to the security officer or supervisor. Test documentation should describe how and what mechanisms were tested and the results. If recognized organizations/tests/standards are used, then a document to that effect will suffice. For example, a system that has been tested and certified as meeting certain criteria may have a document stating this fact, without detailed tests/results of information. Contractor, however, must ensure the documentation covers the exact system and that it includes the specific computer system used by Contractor.

Additionally, documentation must include a security administrator's guide. The security administrator's guide is addressed to the System's Administrator and Security Officer and will describe the protection mechanisms provided by the security system, guidelines on their use and how they interact. This document will present cautions about security functions and describe privileges that should be controlled when running a secure system. The document will be secured and locked at all times with access rights only by the Systems Administrator and Security Officer.

Note: When a security system is designed or purchased for a specific computer or computer system, the security mechanisms must be reviewed by the State to ensure that needed security parameters are met. An independent test should be implemented on the specific computer or computer system to ensure that the security system meets the security parameters within this contract and developed with the computer system. The test may be arranged by the developer but must be done by an independent organization. Contractor must assign responsible individuals (Security Officers) with knowledge of information technology and applications to oversee the testing process. These individuals must be familiar with technical controls used to protect the system from unauthorized entry.

Finally, contingency and backup plans must be in place to ensure protection of Michigan tax information.

V. Electronic Transmission of Michigan Tax Information

The two acceptable methods of transmitting Michigan tax information over telecommunications devices are encryption and the use of guided media. Encryption involves the altering of data objects in a way that the objects become unreadable until deciphered. Guided media involves the use of protected microwave transmitting or the use of end to end fiber optics.

The Department of Information Technology (DIT) has defined encryption standards in DIT Standard 1315.10 (Standard for Electronic Data Encryption) which must be used to provide guidance for encryption, message authentication codes or digital signatures and digital signatures with associated certification infrastructure.

Unencrypted cable circuits of fiber optics is an alternative for transmitting Michigan tax information. Adequate measures must be taken to ensure that circuits are maintained on cable and not converted to unencrypted radio transmission. Additional precautions will be taken to protect the cable, i.e., burying the cable underground or in walls or floors and providing access controls to cable vaults, rooms and switching centers.

A. **Remote Access**
   Accessing databases containing Michigan tax information from a remote location – that is, a location not directly connected to the Local Area Network (LAN) will require adequate safeguards to prevent unauthorized entry.

   For dial up access, the system must require an identification security card that requires both PIN and card in possession. According to DIT- Procedure 1410.17 (4.1), dial in access into any connected state network will only be permitted after a dial-in user has been authenticated. Authentication is provided through ID and password.

B. **Portable Computer Devices**
   Any entrusted confidential information collected or accessed during this Contract must be encrypted when stored on all storage devices and media. This includes, but not limited to, disk drives for servers and workstations, and portable memory media (PDAs, RAM drives, memory sticks, etc.).

VI. Record Keeping Requirements for Information Received in a Paper Format

Each Contractor employee or contractor requesting and receiving information will keep an accurate accounting of the information received. The audit trail will be required which will include the following information:

a. Taxpayer's name
b. Identification number (SSN, FEIN, etc.)
c. Information requested
d. Purpose of disclosure request
e. Date information received
f. Name of Agency/Division and employee making request
g. Name of other employees who may have had access
h. Date destroyed
i. Method of destruction

A. **Electronic Media**
   Contractor will keep an inventory of magnetic and electronic media received under the Contract.

   Contractor must ensure that the removal of tapes and disks and paper documents containing Michigan tax return information from any storage area is properly recorded on charge-out records. Contractor is accountable for missing tapes, disks, and paper documents.

B. **Recordkeeping Requirements of Disclosure Made to State or Federal Auditor General**
   When disclosures are made by Contractor to State or Federal Auditors, these requirements pertain only in

   instances where the Auditor General's staff extracts Michigan tax returns or tax information for further review and

   inclusion in their work papers. Contractor must identify the hard copies of tax records or if the tax information is

   provided by magnetic tape format or through other electronic means, the identification will contain the

   approximate number of taxpayers records, the date of inspection, the best possible description of the records and

   the name of the Auditor(s) making the inspection.

   The Disclosure Officer must be notified, in writing, of any audits done by auditors, internal or otherwise, of Contractor that would involve review of Treasury processing parameters.

VII. Contract Services

The following language will be included in any contract entered into by Contractor with a subcontractor if the subcontractor will process Michigan tax return information provided under this Safeguard Provision.

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Definition of Treasury Tax Return Information
> Treasury tax return information is defined in RAB 1989-39 as follows:

> Taxpayer's identity, address, the source or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments whether the taxpayer's return was, is being or will be examined or subject to their investigation or processing, or any other data, received by, recorded by, prepared by, furnished to or collected by the agency with respect to a return or with respect to the determination of the existence, or liability (or the amount thereof) of any person under the tax laws administered by the Department, or related statutes of the state for any tax, penalty, interest, fine, forfeiture, or other imposition or offense. The term "tax return information" also includes any and all account numbers assigned for identification purposes.

An acknowledgment that a taxpayer has filed a return is known as a "fact of filing" and may not be disclosed. All tax return data made available in any format will be used only for the purpose of carrying out the provisions of the Contract between Contractor and the sub-contractor. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract between Contractor and the subcontractor. In addition, all related output will be given the same level of protection as required for the source material.

The subcontractor will certify that the data processed during the performance of the Contract between Contractor and the subcontractor will be completely purged from all data storage components of the subcontractor's computer facility, and no output will be retained by the subcontractor at the time the work is completed. If immediate purging of all data storage components is not possible, the subcontractor will certify in writing that any Michigan data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

Destruction of tax data, including any spoilage or any intermediate hard copy printout which may result during the processing of Michigan tax return information, will be documented with a statement containing the date of destruction, description of material destroyed, and the method used.

Computer system security and physical security of tax data stored and processed by the subcontractor must be in compliance with security guidelines and standards established by this contract. See section VI (Record Keeping Requirements for Information Received in Paper Format) for more details.

The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has agreed to abide by the confidentiality provisions of the Revenue Act by signing the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Disclosure Officer and Contract Compliance Inspector.

No work involving information furnished under the contract between Contractor and a subcontractor will be further subcontracted without the specific approval of the Michigan Department of Management and Budget. Contractor and approved subcontractors handling Michigan tax return information will be required to sign the *Vendor, Contractor or Subcontractor Confidentiality Agreement* provided by Treasury, (Form 3337, see Attachment A). The original agreements will be returned to the Disclosure Officer for the Department of Treasury and a copy sent to the Contract Compliance Inspector.

VIII.   Transport of Tax Information

In the event, it is necessary to transport confidential tax return information the Contractor is responsible for holding the carrier responsible for safeguarding the records. The Contractor must obtain a signed *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) for each carrier employee who has access to Michigan tax return information. The original agreements will be returned to the Department of Treasury, Disclosure Officer and a copy sent to the Contract Compliance Inspector.

If it is necessary to transfer records and responsibility for transport to a third carrier due to a mishap during transportation, the Contractor is responsible for ensuring safeguard standards remain enforce. This type of incident will be documented in accordance with the incident reporting guidelines in procedure PT-03253.

Any such incidents must be reported to the Contract Compliance Inspector immediately.

IX. Disposal of Tax Information

Materials furnished to Contractor, such as tax returns, remittance vouchers*,* W-2 reports, correspondence, computer printouts, carbon paper, notes, memorandums and work papers will be destroyed by burning, mulching, pulverizing or shredding. If shredded, strips should not be more than 5/16-inch, microfilm should be shredded to effect a 1/35-inch by 3/8-inch strip, and pulping should reduce material to particles of one inch or smaller.

Disk media must be destroyed by overwriting all data tracks a minimum of three times or running a magnetic strip over and under entire area of disk at least three (3) times. If the CD or DVD cannot be overwritten it must be destroyed in an obvious manner to prevent use in any disk drive unit and discarded. Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal. Electronic data residing on any computer systems must be purged based on Treasury's retention schedule.

Contractor and its subcontractor(s) will retain all confidential tax information received by Treasury only for the period of time required for any processing relating to the official duties and then will destroy the records. Any confidential tax information that must be kept to meet evidentiary requirements must be kept in a secured, locked area and properly labeled as confidential return information. See Procedure for Security (Section V of this section) for more details.

X. Security Responsibility

Contractor will designate a security person who will ensure that each individual having access to confidential tax information or to any system which processes Michigan tax return information is appropriately screened, trained and executes a *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) before gaining access or transaction rights to any process and computer system containing Treasury tax return information.

Each Contractor or their subcontractor(s) employees' access and transaction rights will be reviewed periodically to

ensure that there is a need to know Treasury tax return information displayed in any media.

Michigan tax return information will be made available only to individuals authorized by the Contract. State and Contractor will maintain a list of persons authorized to request and receive information and will update the list as necessary**.**   A copy of the list must be furnished to the Michigan Department of Treasury Disclosure Officer and Contract Compliance Inspector.

XI. Effective Date

These Safeguard requirements will be reviewed whenever the Contract modifications include specifications or

processes that affect tax data.

Michigan Department of Treasury
3337 (Rev. 2-08)

Reset Form

Vendor, Contractor or Subcontractor Confidentiality Agreement

The Revenue Act, Public Act 122 of 1941, MCL 205.28(1)(f), makes all information acquired in administering taxes confidential. The Act holds a vendor, contractor or subcontractor and their employees who sell a product or provide a service to the Michigan Department of Treasury, or who access Treasury data, to the strict confidentiality provisions of the Act. Confidential tax information includes, but is not limited to, information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the Michigan Department of Treasury for a tax administered by the department.

INSTRUCTIONS. Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury and federal tax information. After you and your witness sign and date this form, keep a copy for your records. Send the original to the address listed below.

Company Name and Address (Street or RR#, City, State, ZIP Code)	Last Name	First Name
	Driver License Number	
State of Michigan Department | Bureau | Division	Subcontractor Name if Product/Service Furnished to Contractor	
Describe here or in a separate attachment the product or service being provided to the State of Michigan Agency.		

Confidentiality Provisions. It is illegal to reveal or browse, except as authorized:

- All tax return information obtained in connection with the administration of a tax. This includes information from a tax return or audit and any information about the selection of a return for audit, assessment or collection, or parameters or tolerances for processing returns.

- All Michigan Department of Treasury or federal tax returns or tax return information made available, including information marked "Official Use Only". Tax returns or tax return information shall not be divulged or made known in any manner to any person except as may be needed to perform official duties. Access to Treasury or federal tax information, in paper or electronic form, is allowed on a **need-to-know** basis only. Before you disclose returns or return information to other employees in your organization, they must be authorized by Michigan Department of Treasury to receive the information to perform their official duties.

- Confidential information shall not be disclosed by a department employee to confirm information made public by another party or source which is part of any public record. 1999 AC, R 2005.1004(1).

Violating confidentiality laws is a felony, with penalties as described:

Michigan Penalties
MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators are guilty of a **felony** and subject to **fines of $5,000 or imprisonment for five years, or both**. State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined $1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties
If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of $5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A subjecting the violator to a **$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of $1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

Failure to comply with this confidentiality agreement may jeopardize your employer's contract with the Michigan Department of Treasury.

Certification		
By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.		
Print name of employee signing this agreement	Signature of person named above	Date signed
Print Witness Name (Required)	Signature of Witness (Required)	Date signed

Submit your form to the following address: For Express Deliveries, use:
Technical Services Division, Disclosure Unit   Technical Services Division, Disclosure Unit
Michigan Department of Treasury   Michigan Department of Treasury
P.O. Box 30698   430 W. Allegan Street
Lansing, MI 48909   Lansing, MI 48922

Questions, contact the **Technical Services Division, Disclosure Unit** by telephone, (517) 636-4239; fax, (517) 636-5340; or email:
Treas_Disclosure@michigan.gov

Exhibit D: Service Level Agreement

This document provides details regarding Service Levels and associated financial penalties (see sections 2.242 and 2.243 of RFP) related to the deployment, access and use of the Michigan Accounts Receivable System (MARCS) information technology resources and data.

The following general provisions apply to all MARCS Service Levels:

1. Service Levels documented here are based on the successful completion of the Contract Performance and Reliability Evaluation (PARE) period (section 1.050 of RFP).

2. The Levels of SLA penalties will be based on the "Critical Nature" column in this Exhibit:

Critical Nature	Level of SLA financial penalties
1	$400 per occurrence
2	$800 per occurrence
3	$1,200 per occurrence
4	$1,600 per occurrence
5	$2,000 per occurrence

Note: In no case will SLA penalties exceed $2,000 per day for the Service Levels identified in this Exhibit.

3. The process relies on development and adherence to "approved procedures." These procedures (MARCS Contractor Project Methodology) have been developed and approved by the State of Michigan (State). The MARCS Steering Committee will be responsible for approving procedural changes and new procedures.

4. Claims for SLA penalties would be initiated by State personnel. These claims would be based on alleged failure on the part of the Contractor in application of approved standards or following approved procedures or processes. Following is a basic procedure for submission of SLA penalty claims:

    a) Claims for SLA penalties would be submitted by the State Contract Compliance Inspector to Contractor's Contract Manager. The claim needs to be based on alleged lack of adherence to approved procedures and processes in the management of MARCS.

    b) The Contractor would be allowed up to 30 days to respond to any claim for SLA penalties.

5. All Service Levels are subject to review if the increase in number of transactions or accounts exceeds Contractual numbers.

6. Contractual provisions apply if there is any conflict between those provisions and the definitions of Service Levels described in this Exhibit.

7. Once agreement is reached on the amount of any SLA penalties, the Contractor will net the amount of SLA penalties against the next regular monthly invoice.

8. The Service Level Agreement will be adopted and renewed annually by action of the MARCS Steering Committee.

Service Level Agreement criteria begin on the next page.

A Service Level Agreement Criteria	B Requirement	C Critical Nature Low (1) to Hi (5)	D Requirement Clarification	E Definition of Service Level

1) System Up Time	75% of Contractor staff can access MARCS; MARCS is operational	5	This Service Level covers Online Processing in the following time periods:
			- 8:00AM-6:00PM, Monday through Friday
			- 8:00AM-12:00PM (Noon) on Saturday.
			The State has defined two "levels of outage".
			
			These are defined as:
			
			1) Critical System Outage
			   Any malfunction that causes "contributory down time" in excess of 30 minutes for any of the following components is defined as a "Critical System Outage."
			   o MARCS Data Base Server – hardware or software (100%)
			   o Novell NetWare Servers that provide resources for more than 50 people (100%)
			   o *ACD (100%)*
			   o MARCS Client (PowerBuilder application) (100%)
			   o Ethernet Switches (100%)
			   o Worklist not available (25%)
			   o Correspondence not available (10%)
			
			Note that the definition of "contributory down time" is the actual downtime for components listed above multiplied by the percentage shown in parentheses next to that component (not to exceed 100% for any specific time period). The assumption is that the percentage measures the impact on productivity for all users of the system. If the sum of "contributory down time" for the components listed above exceeds 4 hours for any calendar month, this is considered a "Critical System Outage."
				Claims by the State would be based on alleged failure of the Contractor in following agreed procedures and processes. Following are additional Service Level provisions:
				
				It is assumed that a "Critical System Outage" impacts more than 25% of available productivity from collections staff. A Critical System Outage will require a written explanation from the Contractor within 30 days of the incident. The explanation will provide a post-mortem review of the incident and address any recommended changes or improvements that could be made to reduce or eliminate future occurrences.
				
				Non-Critical System Outages would normally be handled via approved Help Desk and maintenance procedures. **The Contractor will conduct semi-annual audits of problems reported via the Help Desk for compliance with appropriate procedures.** Per request of the State, the Contractor will conduct post-mortem reviews of specific non-critical outages.

A Service Level Agreement Criteria	B Requirement	C Critical Nature Low (1) to Hi (5)	D Requirement Clarification	E Definition of Service Level
			2) <u>Non-Critical System Outage</u> o All other component outages	
2) Scheduling - Batch Processing, Batch Windows, Report Due Times	Processed within 24 hours of tape or online transfers of data.	5	"Batch Processing" is better defined in MARCS as Background/Offline Processing. The Contractor must provide processing capability to be able to complete Offline Processing within the following "processing windows:" o 9:00PM-8:00AM the following morning, Monday through Friday for daily offline processing o 12:00PM (Noon) Saturday through 8:00AM Monday for weekend offline processing Following this Service Level is a discussion of general procedures for handling offline failures.	The current contractor has established a 12:00 AM cutoff time for receipt of files from the State based on account/transaction volumes and run timings from test runs. The offline runs will serve as a benchmark for measuring account and transaction volume increases. The State has approved the cutoff times. It is expected that the Contractor will be able to complete normal daily and weekly offline processing cycles as long as the State provides applicable interfaces by the cutoff time. The Contractor is expected to maintain appropriate systems capabilities to complete these runs as prescribed unless the increase in account or transaction volumes exceed the maximum percentages stated in the Contract. ***Note that this service level also applies to completion of document printing. Any equipment malfunction that causes more than a 24 hour delay in completion of daily document printing or inability to deliver weekly documents by the following Wednesday morning will require a post-mortem from the Contractor within 30 days of the incident. The post-mortem will provide a review of the incident and address any recommended changes or improvements that could be made to reduce or eliminate future occurrences.***

Offline Processing Failures:

The following general procedures will apply to cover hardware or software failures that occur during offline processing:
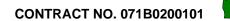
a. Offline failures are always reported to the appropriate Contractor Systems Staff and State management via documented Escalation Procedures.

b. On-call support staff may, at their discretion, recommend that an offline process be discontinued and that appropriate backups be restored so that MARCS files reflect processing prior to the start of the offline process in question. This would normally be recommended if there is not enough clock time to correct the problem that caused the failure and complete the offline process without impacting the start-up of online processing. In this instance, a one-day delay in processing interface transaction files that have been received from the State is acceptable. The recommendation must be approved by both the Contractor user management and designated State management. If the approval is withheld, the Contractor will make best efforts to correct the failure and complete the offline process with minimal impact on online start-up time.

c. On the second attempt at running offline processes that have failed, the Contractor will provide on-call technical support to correct any failures. Technical support personnel will provide on-site coverage as needed to correct these failures. Again, the Contractor user management and State management personnel will be notified if corrective action and completion of offline processes will impact online start-up. Management personnel may, at any time, ask support personnel to cease corrective action in lieu of preparing the system for online start-up.

d. Following two unsuccessful attempts at running an offline process, the failure will be given "Emergency" Support status. In this situation, the Contractor will provide on-site support on a 24 hour basis to correct the failure and ensure that the offline process is successfully completed. Additionally, the Contractor will prepare a post-mortem that discusses the reasons for the failure and any recommended changes or improvements that could be made to reduce or eliminate future occurrences.
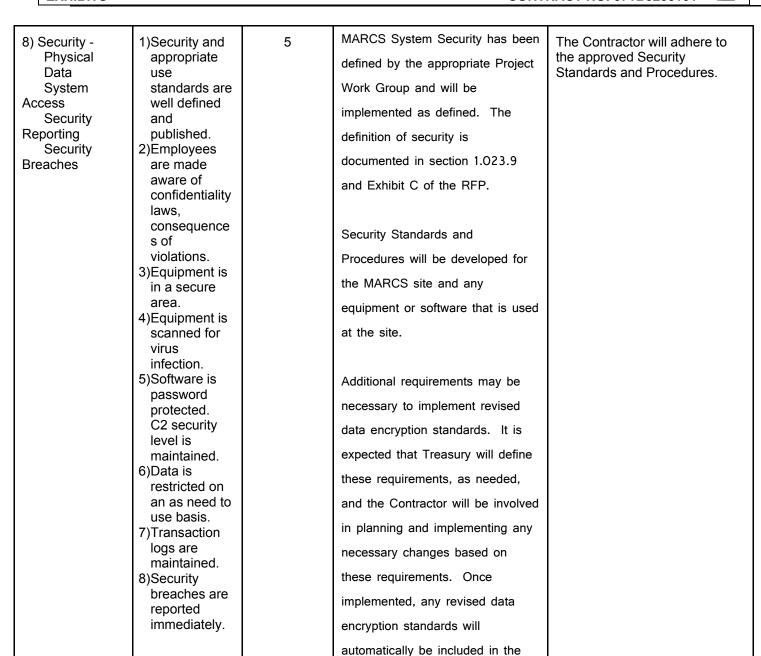
| 3) Operational Priorities | Sub-1.5second server response time for 98% of online transactions. | 5 | **Response time at the Client PC**

The Contractor will comply with currently established benchmark counts for online transactions and timings for the process of accessing a MARCS account and displaying the MARCS windows on a Personal Computer (PC) that meets minimum MARCS requirements. The current benchmark for accessing the following actions/windows is less than 1.5 seconds.

Actions
Next case
Incoming call
Lookup
Correspondence
Refresh
Worklist

Legal Actions
Accessing Levy or Lien info
Updating Levies or Liens
Requesting Levies or Liens
Approving Levies or Liens
Legal Action (Summary)

Main Case
Demographics
Add an Asset
Financial Information
History | Response time at the Client PC
As long as the number of online transactions actually processed stays within the boundaries for increases established in the Contract, the Contractor is expected to provide account access and Main Case Window display response times as established by the benchmark. Upon completion of agreed-upon application enhancements that may impact the benchmark timings, the Contractor and the State will reestablish the benchmark timings.

If there are Help Desk calls or other complaints regarding response times, the Contractor will provide resources to re-verify the benchmark and determine if corrective actions are necessary. |

4) Performance Monitoring	Computer audits no less than annually. Performance monitoring for response time, Service Levels	4		The Contractor will re-verify the response time benchmark on an annual basis and report results to the MARCS Steering Committee.
5) Media Storage	Computer back up media are securely maintained at the MARCS production site and off site	5	Backup Procedures will be developed and maintained by the Computer Operations area. The methodology for modification will include a review of backup procedures to determine if changes are needed.	The Contractor will adhere to the approved Backup Procedures.
6) Data Archiving	Data is maintained on specified media for defined period of time	5	Archiving Procedures will be developed and maintained by the Computer Operations area. The methodology for modification will include a review of backup procedures to determine if changes are needed.	The Contractor will adhere to the approved Archiving Procedures.
7) Exception Handling; Interface Maintenance	Errors, anomalies, hardware failures to be reported *immediately* if they impact synchronization of MARCS and STAR	3	Error Reporting Procedures will be established to cover handling of hardware and software failures. The procedures will include escalation requirements that include appropriate State and the Contractor personnel.	The Contractor will adhere to the approved Error Reporting Procedures.

| 8) Security - Physical Data System Access Security Reporting Security Breaches | 1)Security and appropriate use standards are well defined and published. 2)Employees are made aware of confidentiality laws, consequences of violations. 3)Equipment is in a secure area. 4)Equipment is scanned for virus infection. 5)Software is password protected. C2 security level is maintained. 6)Data is restricted on an as need to use basis. 7)Transaction logs are maintained. 8)Security breaches are reported immediately. | 5 | MARCS System Security has been defined by the appropriate Project Work Group and will be implemented as defined. The definition of security is documented in section 1.023.9 and Exhibit C of the RFP. Security Standards and Procedures will be developed for the MARCS site and any equipment or software that is used at the site. Additional requirements may be necessary to implement revised data encryption standards. It is expected that Treasury will define these requirements, as needed, and the Contractor will be involved in planning and implementing any necessary changes based on these requirements. Once implemented, any revised data encryption standards will automatically be included in the scope of this Service Level. | The Contractor will adhere to the approved Security Standards and Procedures. |

| 9) Application Development and Maintenance standards and Modification Process, including version control mechanism. | Formal procedures and standards, by which MARCS & all related software will be modified, tested, implemented and documented.

Define & adhere to preventative schedules, response & remedy times for failure of hardware, software and network components. A log is maintained.

Help define and adhere to a modification procedure (action steps and those responsible) for changes to hardware, network, and packaged software & customized program modules. | 5 | The following will be developed:

a) Project Methodology – To be used for any modification projects related to any of the technical architecture that has been implemented for MARCS.

b) Maintenance Logs - To be used for recording and reporting of any hardware or software failures. These will be generated from Help Desk records following approved Help Desk Procedures.

c) Maintenance Records – A Technical Architecture Maintenance Procedure will be developed to track and report on hardware and software maintenance and/or warranty.

Regular reports will be provided to the MARCS Steering Committee regarding action items required based on above records. | The Contractor will adhere to approved procedures for Project Methodology, Help Desk and Technical Architecture Maintenance. |

| 10) Problem Resolution

a) Help Desk

b) Problem Tracking

c) Problem Escalation Procedures | Maintain a single point of contact for operational issues; maintain contact list; monitor & evaluate performance

Monitor problem tickets to insure follow up is timely and appropriate to priority.

Establish priority scheme; maintain accurate contact list; move problems to higher levels at specific times measured from time of notification based on criticality. | 4 | Help Desk procedures will be developed to ensure a single point of contact, monitor problem tickets, establish work priorities and ensure appropriate escalation to State and the Contractor Vendor management. | The Contractor will adhere to approved Help Desk Procedures. |

| 3) System Upgrade Thresholds

Future Customer Initiatives, e.g., planning and innovation, addition of new debts | 1) System performance base-line is established & closely monitored for online, batch & communication times. Deviations above base-line initiate changes in hardware, software & bandwidth.
2) Make Treasury aware of new MARCS & Strata™ versions, upgrade features and impact on existing process environments.
3) Publish the Strategic direction of STAR, MARCS & Collections Div 1-3 yrs. ahead, the expected tactical changes 6-12 mo. ahead. | 4 | System baseline and performance is covered in online and offline benchmarks that have been established in earlier Service Levels. Performance against these benchmarks will be communicated to State and the Contractor management via reports defined in those Service Levels.
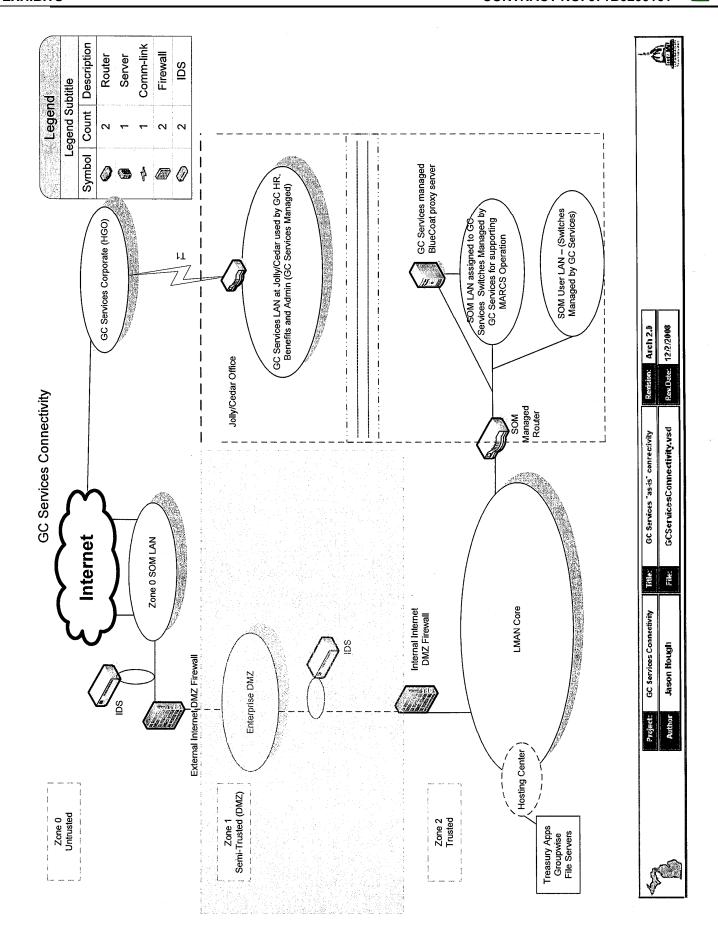
A Strategic and Tactical Plan outline will be developed by the MARCS Maintenance Team. The outline will be approved by appropriate State and the Contractor Management. | The Contractor will provide an annual review of strategic and tactical plans as defined in the Strategic and Tactical Plan outline and deliver this report to the MARCS Steering Committee. The first annual report will be due 12 months following implementation of MARCS. |

GC Services Connectivity

Exhibit F - Performance Metrics

1) Telephone Contact and Written Contact

Telephone and Written Contact accessibility and efficiency performance metrics are intended to assess the ability of the Contractor to manage the collection system by efficiently routing callers to account representatives and having representatives available. The Contractor's representatives are expected to provide appropriate options and accurate information when assisting callers with resolving collection issues. The Contractor is to resolve issues without requiring repeated contacts by taxpayers.

Contact and Accessibility Metrics	Definition	Requirement	Report Frequency
Call Abandonment Rate (Section 1.022.6.c.viii of Contract)	The average point in time that callers disengage a call while waiting to be connected to an account representative	<3% after any introductory recording	Quarterly
Average Speed of Answer (Section 1.022.6.c.ix of Contract)	The average time required to connect a caller to an IVR system	<5 seconds	Quarterly
Time Service Factor (Section 1.022.6.c.x of Contract)	The percentage of incoming calls answered within a specific time frame by an account representative after the telephone call has been routed from the IVR to an account representative	85%/20 seconds	Quarterly
Time in Hold Queue (Section 1.022.6.c.xi of Contract)	The average time all incoming/outbound callers are placed on hold during a call, after being connected to an account representative	TBD	Quarterly
First Contact Resolution Rate (Section 1.022.6.c.xii of Contract)	The percentage of inbound calls or correspondence that can be resolved without the use of Contractor or taxpayer call backs or requests for additional correspondence to resolve an issue within 30 days of the initial contact	>=30%	Quarterly
Account Accuracy Processing Rate (Section 1.022.6.c.xiii of Contract)	The percentage of accounts assigned to the Contractor that are handled through appropriate collection processes	90%	Quarterly
Average Talk Time of Outgoing Calls (Section 1.022.6.c.xiv of Contract)	The average percentage of time spent on outbound calls per account representative	TBD	Quarterly

Exhibit F - Page 1 of 2

Exhibit F - Performance Metrics

2) Other Key Performance Metrics
Key services include but are not limited to: removal of assessments/accounts from active collections upon bankruptcy notification, bankruptcy claim processing, document imaging, lien processing and account resolution rate and contacting debtors.

The Contractor is expected to appropriately and accurately process accounts assigned to them by the State. This includes maintaining a minimal backlog in key work list while maximizing the protection of the State's interest on tax accounts.

Metric	Definition	Requirement	Report Frequency
Priority Document Processing (Section 1.022.6.d of Contract)	The processing of accounts in designated priority work list	Within one business day of date that the document is received	Quarterly
Imaging/Correspondence Processing Rate (Section 1.022.6.e of Contract)	The requirement to image documents in designated work lists to MARCS accounts within a specified period of time, beginning with the date that the correspondence/ document enters the designated MARCS work list	At least 90% of documents are imaged within three business days	Quarterly
Bankruptcy Petition Rate (Section 1.022.6.f of Contract)	The removal of Assessments/Accounts from active collections	Assessments/accounts removed from active collections within one business day of notification of the bankruptcy petition filing	Quarterly
Bankruptcy Claim Processing Rate (Section 1.022.6.g of Contract)	The contractor will process original bankruptcy claims within a specified period of time. The processing period will begin from the date of petition	100% of original bankruptcy claims are to be filed within the government bar date	Quarterly
Bankruptcy Account Processing Rate (Section 1.022.6.h of Contract)	The maximum backlog date allowable for designated bankruptcy account work list	At least 90% of accounts are to be reviewed/processed within one business day of the date that the account enters the work list	Quarterly
Lien Record Processing (Section 1.022.6.i of Contract)	The time frame that Liber and Page information on recorded liens returned from the counties is entered on the MARCS system	Within 10 calendar days of the lien information being returned to the State from the county	Quarterly
Lien Processors/Liens Available (Section 1.022.6.j of Contract)	The percentage of tax accounts/assessments assigned to the vendor that are reviewed for potential lien filings	At Least 95% of tax assessments/accounts eligible for lien filings are to be reviewed for potential lien request by vendor within 90 days of the assessment/accounts being assigned to the vendor	Quarterly
Account Resolution Rate (Section 1.022.6.a of Contract)	The rate includes reduction of accounts down to "0" as a result of payments being made or returns and other documents being submitted to reduce the account balance.	The Contractor shall achieve a 30 percent minimum Account Resolution rate of the debts transferred to the Contractor.	Quarterly
Debtor Contact (Section 1.022.6.b of Contract)	Contractor shall attempt to contact the debtor in writing.	Within 10 calendar days of account receipt.	Quarterly

Exhibit F - Page 2 of 2

Exhibit G: Overview of MARCS Hardware, Software and Peripheral Equipment

1.0 MARCS Production Server

- Hewlett Packard RP7410 server
    - 8 - 750MHz PA-RISC processors (recently upgraded from 4)
    - 8GB RAM (recently upgraded from 4GB)
    - HP-UX 11.11
    - Sybase Adaptive Server Enterprise/12.5.3
        - Production MARCS database
    - Microfocus COBOL Application Server for OCDS v4.2 for PA-RISC running HP-UX 11.x 32 Bit CPU (Server) 8 CPUs.

2.0 MARCS Development and Test Server

- Hewlett Packard RP5470 server (recently upgraded from an RP5410)
    - 4 – 750MHz PA-RISC processors (recently upgraded from 2 – 650MHz processors)
    - 8GB RAM (recently upgraded from 4GB)
    - HP-UX 11.11
    - Sybase Adaptive Server Enterprise/12.5.3
        - mich2 production-size test database
        - mich3 production-size test database
        - mich4 production-size test database
        - qa1, qa2, qa3, qa4 subset test database
        - dev1 subset development database
        - dev2 subset development database
        - train subset training database
        - admin1 subset administrative testing database
        - admin2 subset administrative testing database
        - strataprod Strata processing database

- Microfocus COBOL Development
- PowerBuilder 9.0 (runs on Windows, not UNIX)
- Source code maintained in Serena PVCS
    - One version UNIX
    - One version Windows.

3.0 Production Printer

- Xerox 92C 92ppm spot color printer with Sun Sparc 5 controller

4.0 Strata™ Server

- Hewlett Packard D230 server
- HP-UX 10.20
- Sybase Adaptive Server Enterprise version 11.9.2.6.

5.0 Production Software

5.1 MARCS – based on CGI's CACS-G product (see Exhibit A)
    - Heavily customized for the State of Michigan
    - Client is written in PowerBuilder 9.0
    - Background/batch processes written in Microfocus COBOL and C, along with a variety of Korn shell scripts, awk, perl, grep and other UNIX utilities
        - Approximate counts
            - 4 online applications (case, batch print, tmu, doc tmu)

- 1580 PowerBuilder objects
- 900 stored procedures between online and batch
- 82 batch programs
- 215 scripts
- 300 database tables

5.2 Strata ™- CGI's decision engine software (see Exhibit A, section 8.17)
  - o Strata™ development environment on the D230
  - o Strata™ decision engine on the RP7410
  - o MQ-Series real-time data transfer mechanism

5.3 MARCS help system managed in a web environment via Dreamweaver

5.4 Bankruptcy Claim Professional (BCP) software (see Exhibit A, section 8.11)
  - o Written and customized by Collection Software Solutions
  - o Maintained in Sybase

5.5 Document management system (see Exhibit A, section 8.16)
  - o Maintained on the Web server in MySQL
  - o Approximately 27,000 documents
  - o Approximately 30GB
  - o Updated daily

5.6 Death record database (see Exhibit A, section 8.20)
  - o Maintained on the Web server in MySQL
  - o Approximately 1.7M records
  - o Updated 4-5 times per year

5.7 Trouble ticket tracking via Track-It!

5.8 AutoScribe check writing software (see Exhibit A, section 8.4)

5.9 Computer based training using Knowledge Presenter Professional (see Exhibit A, section 8.8)

6.0 Overview of Storage

- Hewlett Packard EVA4000 Storage Area Network (SAN)
  - o 56 – 146GB 15,000RPM SCSI drives (recently upgraded from 22 drives)
  - o (8TB raw, 5.1TB usable) space across all UNIX, Windows & Novell servers

- Hewlett Packard VA7110 storage array – development storage
  - o 30 – 36GB drives – 1TB space – currently holds mich3 database (144GB)

7.0 Overview of Network Hardware

7.1 Servers

Make and Model	*Software*
Dell PowerEdge 2850	Novell 6.5
Dell PowerEdge 2650	Novell 6
Dell PowerEdge 2650	Novell 6.5
Dell PowerEdge 1850	Windows Server 2003
Dell PowerEdge 1650	Windows Server 2000
Dell PowerEdge 2650	Novell 6.5
Dell PowerEdge 2650	Windows 2003
Dell PowerEdge 1650	Novell 6.5
Dell PowerEdge 1650	Novell 6.5
Dell PowerEdge 2650	Novell 6.5
Dell PowerEdge 2650	Windows 2003
Dell PowerEdge 600SC	Windows 2000
Dell PowerEdge 400SC	Windows 2000 w/ Faxware software
Dell PowerEdge 600SC	Windows 2003
HP/Compaq Proliant ML350	CTI – NT 4.0
Dell PowerEdge 2500	Windows 2000
HP Proliant DL380	Windows 2003
EVA Controller1	SAN
EVA Controller2	SAN
HP Proliant ML530	HPUX - Dialer
Dell GX270 Workstation	OmniView
Overland Neo 2000	Tape Backup System
BlueCoat	Proxy Server

7.2 Switches

Catalyst 3560G
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 3550
Catalyst 2900
2600 Router

7.3 Workstations

```
Dell GX620
  - Dual Core 3GHZ
  - 1 GB RAM
  - 80 GB SATA Drive
  - Windows XP
  - Office 2003
  - MARCS
  - JELF
  - FileNet
  - NetOp
  - Groupwise
```

7.4 Printers

```
HP LaserJet 4000
HP LaserJet 4000
HP LaserJet 4000
HP LaserJet 4000
HP LaserJet 4000
HP LaserJet 4
HP LaserJet 4
HP LaserJet 4
HP LaserJet 4000
HP LaserJet 4000
HP LaserJet 5200
HP LaserJet 4000
HP All-in ONE 1350
HP LaserJet 4
HP PhotoSmart C5180
HP DeskJet D2460
HP LaserJet 4
HP LaserJet 4000
HP LaserJet 1200
HP All in One C1350
HP psc 1315ix
Microline 320
Epson FX-880
HP LaserJet 2300n
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7.5 Telephony Environment Equipment

Unit ID	Make	Model	No. of Units
UPS	Nortel	System 600/48	1
Phone Switch	Nortel Networks meridian	Nortel Core Net Module	2
Phone Switch	Nortel Networks meridian	Nortel Inter Group Module	1
Phone Switch	Nortel Networks meridian	Nortel Common Equipment Module	2
Phone Switch	Nortel Networks meridian	Nortel Intelligent Module	5
Phone Switch	Nortel Networks meridian	Nortel Application Module	1
Phone Switch	Nortel Networks meridian	Meridian Mail Module	1
Switch	ATT	FLM 150 ADM	1
Air Handler	Liebert	System/3	2
UPS	Exide Electronic	Powerware Plus 50	1
UPS	Exide Electronic	PDM-21-450	1
Monitor	Xerox	XL765 Monitor	1

7.6 Mailing Equipment (See Section 1.023.1.l)
Pitney Bowes Folder/Inserter F700 and F701 Attachments
7.7 Document Imaging Scanners (See Section 1.023.1.k)

Make and Model	Scanner Software
Bell and Howell 2000D FB	Softi Scan to PDF
	Ascent Capture 6.1
Bell and Howell CopiScan Plus 8000 Series	Ascent Capture 6.1

7.8 Physical Security Equipment and Software (See Section 1.023.9.k of RFP)

Picture ID card
ADT Proximity card security system
ADT Camera System
Intellex DVMS w/ 11 Cameras
Intellex Monitor software

EXHIBIT H
ACCOUNT AND ASSESSMENT TOTALS BY TAX TYPE
AS OF 01-07-09

PLEASE NOTE: The following report contains both account and assessment totals by tax types. Tax types are recorded at the assessment level. Many accounts have multiple assessments for different tax types.

TOTALS BY TAX TYPE

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
ACC	CIGARETTE UNCLASSFIED ACQUIRER	27	$2,144,713.56
ACR	ACCOUNTS RECEIVABLE	55	$79,902.42
AEA	AGRICULTR FRT/VEG INSP	5	$15,778.53
AEC	AGRICULTUR WGHTS/MSURS	69	$59,005.86
AEE	AGRICULTURE WGHTS/MSURS	33	$9,832.00
AEF	INTERNATNL TRADE-ADM	68	$154,623.78
AGA	ATTT GENERAL/JUDGEMENT	86	$678,870.34
AGB	ATT GEN/INVESTIGATIVE COSTS	3	$121,723.93
AGC	AGY NON PARTCPATE MANUF OF CIG	37	$4,295,468.26
AIR	AVIATION	3	$3.13
APT	AIRPRT PKNG TAX	21	$475,599.60
ASU	SUPPLIER-AVIATION	68	$1,326,524.33
ATG	ATTORNEYS GENERAL OFFICE	5	$500,554.56
ATO	OTHR TOBACCO UNCLASS AQUIRER	211	$331,156.37
BLA	BLENDER AVIATION	19	$240,141.73
BLD	BLENDER DIESEL	22	$251,855.40
BLN	BLENDER GASOLINE	26	$240,004.89
CAD	CARRIER DIESEL	1	$0.00
CIG	CIGARETTE TAX	8,813	$41,263,549.15
CIT	CORP INCOME TAX	1	$4,757.62
CMA	CENTRAL MI U STU ACCT	2,672	$3,626,007.53
COA	LEG MISC. A/R	2	$4,049,900.00
COB	LEG RTND CK	2	$500.00
COE	DLEG PEF PREV YR	1	$325.00
COH	DLEG PUB UTILITY	1	$20,000.00

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
COJ	DLEG LQR PUR NSF	83	$76,331.93
COK	DLEG LQR PUR AR	32	$17,930.25
COL	DLEG CLAIMS/JUDGMNTS-FUNDS ADM	2	$40,018.53
COM	FRANCHISE & MISC FEE	39	$251,683.95
COS	MSHDA DELINQ.COMMISSIONABLE	1,047	$1,001,454.25
COT	MSHDA DELINQ. NON COMMISSION	182	$1,377,187.66
CRA	CIVIL RTS MISC REV GN	1	$5,000.00
CSA	CIVIL SERV DEFRD CMP I	1	$1,797.17
CTA	CORRECTION RET WAR MCF	1	$1,361.22
CTB	CORRECTIONS REF PRI YR	170	$146,224.42
CTD	CORRECTION PAROLEE LNS	1,177	$258,464.67
CTG	PRISON REIMBURSEMENT	1	$8,809.20
CTH	PRIOR YR PAYRL ADV	3	$266.89
CTI	MI STATE INDUSTRIES	8	$89,413.67
CTJ	FLINT SUPERVISION FEES	19,576	$9,359,758.85
CTK	GRAND RAPIDS SUPERVISION FEES	25,821	$12,906,188.72
CTL	DETROIT SUPERVISION FEES	15,640	$6,990,506.94
CVF	CONVEN FACLITIES TAX	393	$1,225,572.97
DFL	DIESEL FLOOR TAX	130	$407,877.71
DRT	RETAIL DIESEL DEALER	228	$1,817,533.31
DSL	DIESEL FUEL	100	$1,103,068.89
DSU	SUPPLIER-DIESEL	65	$1,312,044.68
DWS	WHOLESALE/EXPORT DIESEL	33	$588,029.28
EDA	EDUCATION LOC AGY REC	74	$1,491,520.46
EDC	EDUCATION STUDENT FEES	19	$14,831.06
EDE	EDU-KING-CHAVEZ-PARKS FEL PROG	112	$2,259,686.09
EDF	MI-LOANS MHESLA	1,985	$13,364,187.79
EDZ	EDUCATION DEF ST LOAN	5,613	$12,232,720.53
EQA	TOBACCO EQUITY ASSESSMENTS	13	$999,362.45
EST	ESTATE TAX	33	$341,218.80
EXA	EXPORTER AVIATION	22	$4,800.00
EXD	EXPORTER DIESEL	22	$4,437.72
EXG	EXPORTER GASOLINE	38	$47,748.11

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
FSA	FERRIS ST U LN STNT AC	4,228	$6,987,475.89
GAS	GASOLINE	96	$2,537,532.16
GFT	GASOLINE FLOOR TAX	1	$1,219.21
GRP	GARNISHMENT RECOVERY PROGRAM	996	$252,518.29
GR1	DG 06-IIT JOINT REFND IN ERROR	207	$53,380.44
GR2	UP06-IIT SINGLE REFND IN ERROR	509	$176,719.45
GR3	UP06-IIT JOINT REFND IN ERROR	208	$79,247.41
GSU	SUPPLIER-GASOLINE	149	$6,806,556.52
GVA	GRND VALLEY U LN&ST AC	1,121	$1,514,077.65
GWS	WHOLESALE/EXPORT GASOLINE	13	$690,280.33
HPT	PRINCIPAL RESIDENCE EXEMPTION	2,297	$1,801,120.50
IFR	IFTA FUEL TAX	10,613	$38,182,111.08
IIT	INCOME TAX	487,710	$536,716,539.35
IMA	IMPORTER AVIATION	12	$469,726.45
IMD	IMPORTER DIESEL	21	$471,757.28
IMG	IMPORTER GASOLINE	24	$683,612.47
INH	INHERITANCE TAX	1	$21,771.38
INT	INTANGIBLES TAX	435	$636,719.88
LBB	LABOR WAGE BENEFIT JDG	313	$525,034.48
LBC	LABOR FOIA G/I	1	$119.35
LBE	LABOR ELEV. LICNS	131	$18,821.00
LBF	LABOR ADM SRV MS	1	$332.64
LBG	LABOR WAGE HR PEN	68	$45,301.05
LBH	LABOR BLIND-STATE	7	$10,863.51
LBK	LABOR BOILER FEES	46	$3,390.06
LBL	LABOR VENDING FEE	1	$6,871.41
LBN	LABOR MIOSHA	1,139	$3,431,019.84
LBP	LABOR PLAN REVIEW	91	$29,731.66
LBQ	DELINQUENT ACCT REFL	2	$58,635.93
LBR	PREFAB FACTORY-APPS & INSPECTN	4	$1,030.60
LBS	TRAVEL ADVANCE	1	$890.00
LFH	LIQUID FUEL HAULER	5	$1,751.32
LPG	LPG	19	$4,434.84

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
LRB	LEG INS BUR TRAV	6	$3,700.99
LRE	COM HLTH BHS CIVIL FINE/PEN	73	$650,367.16
LRF	LEG BCS CIVIL FINE/PEN	3,166	$13,309,252.20
LRG	LEG INS COM PEN	94	$191,748.00
LRH	LEG REV SLS LIC	6	$13,404.33
LRI	LEG MALPRACTICE	12	$27,896.46
LRJ	MARKET STANDARD PENALTIES INSURANCE	1	$1,000.00
LRK	LEG I/B FOI	6	$2,840.89
LRL	LEG CONSTRUCTION LIEN	288	$3,515,902.71
LRM	LEG I/B FIN STND EXAM FEE	1	$21,092.67
LSA	LK SUPRIOR U LN&STU AC	561	$580,017.05
LTA	LOTTERY DLQ AGENTS	162	$847,215.75
LTD	OFF STATE EMP. LTD DEBTS	335	$2,512,082.05
MAA	MILITRY AFFRS MISC A/R	2	$5,596.36
MAC	MILITRY AFRS ARMRY RNT	2	$77.64
MBA	MGT&BUDGET A/R-VARIOUS	29	$78,983.70
MBB	MI PUB EMP RET SYSTEM	305	$726,872.26
MCR	MOTOR CARRIER TAX	4,516	$18,246,204.25
MHE	MENTAL HLTH REF PRI YR	30	$1,210,212.97
MHG	MENTAL HLTH COST/CARE	8,272	$64,983,171.41
MHM	FAMILY SUPPORT/SUBSIDY PROGRAM	70	$67,763.55
MHN	MENTAL HEALTH AUDIT FINDINGS	9	$746,363.64
MHP	MH FACILITY CONTRACT COST STLM	9	$450,100.07
MLC	MOTOR CARR LIC FEE	7	$4,091.61
MRN	MARINE DIESEL DEALER	48	$49,799.67
MSC	MISCELLANEOUS	1	$23.93
MTA	MICH TECH UN LN&STU AC	209	$168,813.43
MVA	MI VT TRST FND EMRG LN	60	$18,221.31
NMA	NORTHERN MI LN&STNT AC	17	$7,929.52
NMR	CIG/OTP NON PART.MFR NON FILER	3	$219,538.59
NRA	NATURAL RES GOODS DEL	6	$2,253.84
NRC	NATURAL RES TIMBR HARV	7	$42,219.75
NRH	DEQ-UNDRGRND STORAGE TANK FEES	6	$12,058.00

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
NRI	NATURAL RES REF PRIOR YR	13	$61,725.38
NRJ	NATURL RES SND/GVL/MIN	1	$28,433.71
NRK	NATURAL RES MISC REV	1	$12,572.65
NRL	NATURAL RES CONC PRIV	9	$1,345.29
NRM	NATURAL RES TIMBER/TRL	5	$16,682.26
NRP	NATURAL RES GAME/FISH	254	$823,609.48
NRR	NATURAL RES LIQ DAMAGE	3	$1,069.65
NRT	NATURAL RES FAIR A/R	1	$2,520.78
NRZ	NATURAL RES STATE FAIR	6	$17,365.62
NR2	NATURAL RES DNR MAG	1	$10,012.10
NR4	DEQ-AIR QUALITY DIVISION FEES	30	$63,088.79
NR5	DEQ COMMUNITY PUBLIC WATER	28	$6,399.22
NR6	DEQ NON-COMMUNITY PUBLIC WATER	123	$39,175.35
NR7	DEQ-JUD-ENVIR RESPONSE DEQ	38	$6,478,197.04
NR8	DEQ WATER TESTING FEES	22	$11,017.00
OSA	OSE ST EMP LTD DEBTS	116	$948,878.70
OTP	OTHER TOBACCO TAX	321	$1,785,141.41
OUA	OAKLAND UNIV LN&STUD ACCT #1	689	$489,801.93
OUB	OAKLAND UNIV LN&STUD ACCT #2	711	$1,536,240.52
PHB	PUBLIC HLTH PR YR EXP	16	$129,141.15
PHC	PUBLIC HEALTH DSCC	8	$2,157.00
PHE	COMM HEALTH CIVIL PEN	2	$800.00
PHF	PUBLIC HEALTH MIOSHA	116	$506,953.62
PHG	ASBESTOS CITATIONS	10	$61,304.50
PHH	COMM HLTH QA DELINQUENT FEES	144	$11,551,503.97
PUC	CAR LOANING TAX	63	$119,471.79
PUR	RAILROAD CO TAX	1	$15,364.13
PUT	TELEPHONE & TELEGRAPH	32	$1,009,364.23
REG	ENVIRON PROTECTION REG FEE	139	$393,928.01
RFV	RETAIL DEALER/DIESEL FUEL VNDR	260	$9,181,269.55
RTY	RETALIATORY TAX	134	$2,209,209.96
SAL	SALES TAX	384,453	$747,025,602.93
SBT	SINGLE BUS TAX	36,750	$392,129,841.17

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
SRT	REAL ESTATE TRANSFER TAX	45	$3,358,488.95
SSA	DHS SEC DEP	109	$93,941.05
SSC	DHS EMERG. NEEDS PROGRAM	4	$14,557.91
SSE	DHS PHYSCN SER	141	$6,168,080.35
SSF	DHS AD FSTER CA	22	$23,702.31
SSG	DHS ADULT HOME	185	$145,692.12
SSH	DHS SERV FSTER CARE	1	$72,840.01
SSK	DHS MISC REV	5	$12,395.45
SSL	DHS MAINT-OF-EFFORT-OFF FUNDS	1	$120.75
SSR	DHS PROVIDER OVRPYT CLMS	15	$1,434,680.81
SSS	DHS A.D.C.	3,331	$121,152.47
SST	DHS MEDICAID WTH-PRACTITIONERS	5	$706,444.43
SSU	DHS GEN ASSISSTANCE	523	$172.32
SSV	DHS FOODSTAMP RECIPIENTS	3,891	$71,472.82
SSW	DHS JUDGMENTS	4	$516,991.59
SSX	DHS MISDU NSF CHECKS	1,515	$952,406.19
STA	MDOS COMM LU	25	$49,872.66
STB	MDOS UCC FEES	26	$8,667.00
STC	MDOS CFF	7	$5,495.00
STD	MDOS ADDED FEES	165	$341,742.18
STF	MDOS WGHT. TAX	1,029	$1,045,606.46
STG	MDOS IRP NRES WT	10	$5,413.79
STJ	MDOS RETD CK	4,162	$1,605,147.10
STK	MDOS ASSIGNED CLAIMS	2,386	$130,090,274.51
STL	MDOS MVACF	15	$51,341.21
STM	STATE CAMPAIGN FILING FEES	40	$17,893.00
STN	LATE FEE/LOBBY REGISTRTION ACT	596	$501,040.73
STO	STATE RESTITUTION/JUDGEMENTS	1	$582.68
STP	MDOS DRIVER RESPONSIBILITY FEE	1,428,485	$430,342,531.35
SVA	SAGINW VLY U LN&STU AC	544	$422,252.74
TAD	TERM OPER. DIESEL ANNUAL RTN	3	$646,456.88
TAG	TERMINAL OPER GASOLINE ANL RTN	3	$657,348.37
TAJ	DIESEL TERMINL ANNUAL JET FUEL	3	$657,348.37

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
TAV	AVIATION TERMNL ANNUAL AV GAS	3	$657,348.37
TMD	TERMINAL OPERATOR DIESEL	8	$1,600.00
TMO	TERMINAL OPERATOR GASOLINE	32	$576,616.38
TOA	TERMINAL OPERATOR AVIATION	8	$1,600.00
TOC	TRANSPORTER AVIATION	36	$11,200.00
TOD	TRANSPORTER DIESEL	36	$11,200.00
TRC	TRANSPORTATION NSF	1	$350.00
TRD	TRANSPORTATN TERM EMP	9	$3,763.10
TRE	TRANSPORTAT RD&BRG ONS	4	$160,410.97
TRF	TRANSPORTATN UTLTY PRM	1	$302.44
TRG	TRANSPORT DAMAGE CLAIM	23	$118,395.14
TRJ	TRANSPORTATN P&P TRAVL	37	$238,853.84
TRK	TRANSPORT PLANS & PROP	1	$183.04
TRL	TRANSPORT COMM TRNKLN	6	$11,384.11
TRM	TRANSPORT PROP RENTAL	3	$5,855.20
TRQ	TRANSPORTATN OVERPYMNT	4	$114,387.25
TRS	TRANSPORT PRI YEAR TR	1	$4,384.61
TRU	PRIOR YEAR REVENUE	1	$10,210.15
TSP	TRANSPORTER GASOLINE	37	$12,200.00
TYC	TREASURY HOSP C/C	4	$40,141.52
UBD	UNCLAIMED BEVERAGE DEPOSITS	8	$1,286,896.97
USE	USE TAX	55,987	$193,127,890.40
WAR	LEVY/WARRANT COST	87,243	$4,251,593.25
WCC	CIGARETTES WHOLESALER	7	$0.00
WGI	GAMING BD INVESTIGATION COSTS	4	$7,354.03
WTH	WITHHOLDING TAX	507,963	$571,439,792.42
WTO	OTHER TOBACCO WHOLESALER PROD	5	$0.00
005	MICHIGAN DISTRICT COURT	4,038	$506,508.21

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
050	MICHIGAN DISTRICT COURT	8,400	$1,156,125.67
43A	MICHIGAN DISTRICT COURT	3,836	$731,273.69
43B	MICHIGAN DISTRICT COURT	3,451	$695,666.83
54A	MICHIGAN DISTRICT COURT	17,621	$1,498,156.33
	ASSESSMENT TOTALS	**3,174,319**	**$3,374,068,231.72**

TOTAL ACCOUNTS   1,061,456

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance

TOTALS ASSIGNED TO CURRENT VENDOR BY TAX TYPE

Tax Type	Tax Type Description	Total Assessments	Total Asm Balance
ACC	CIGARETTE UNCLASSFIED ACQUIRER	4	$318.83
ACR	ACCOUNTS RECEIVABLE	36	$39,538.74
AEA	AGRICULTR FRT/VEG INSP	4	$12,778.53
AEC	AGRICULTUR WGHTS/MSURS	58	$56,450.92
AEE	AGRICULTURE WGHTS/MSURS	25	$9,768.00
AEF	INTERNATNL TRADE-ADM	62	$151,483.78
AGA	ATTT GENERAL/JUDGEMENT	68	$335,685.59
AGB	ATT GEN/INVESTIGATIVE COSTS	3	$121,723.93
AGC	AGY NON PARTCPATE MANUF OF CIG	21	$3,069,631.52
ASU	SUPPLIER-AVIATION	15	$662,336.79
ATG	ATTORNEYS GENERAL OFFICE	5	$500,554.56
ATO	OTHR TOBACCO UNCLASS AQUIRER	54	$181,936.25
BLA	BLENDER AVIATION	1	$0.00
BLD	BLENDER DIESEL	1	$0.00
BLN	BLENDER GASOLINE	1	$0.00
CIG	CIGARETTE TAX	6,529	$25,125,432.28
CMA	CENTRAL MI U STU ACCT	2,336	$3,544,789.67
COJ	DLEG LQR PUR NSF	77	$74,335.71
COK	DLEG LQR PUR AR	27	$17,712.15
COL	DLEG CLAIMS/JUDGMNTS-FUNDS ADM	2	$40,018.53
COM	FRANCHISE & MISC FEE	35	$239,305.20
COS	MSHDA DELINQ.COMMISSIONABLE	839	$947,700.42
CRA	CIVIL RTS MISC REV GN	1	$5,000.00
CSA	CIVIL SERV DEFRD CMP I	1	$1,797.17
CTA	CORRECTION RET WAR MCF	1	$1,361.22
CTB	CORRECTIONS REF PRI YR	163	$146,109.48
CTD	CORRECTION PAROLEE LNS	990	$236,484.37
CTI	MI STATE INDUSTRIES	5	$18,268.54

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
CTJ	FLINT SUPERVISION FEES	17,717	$9,199,566.25
CTK	GRAND RAPIDS SUPERVISION FEES	23,255	$12,545,345.72
CTL	DETROIT SUPERVISION FEES	14,309	$6,801,721.71
CVF	CONVEN FACLITIES TAX	114	$294,805.80
DFL	DIESEL FLOOR TAX	30	$194,920.22
DRT	RETAIL DIESEL DEALER	147	$1,158,294.36
DSL	DIESEL FUEL	40	$181,237.75
DSU	SUPPLIER-DIESEL	3	$658,501.90
DWS	WHOLESALE/EXPORT DIESEL	20	$260,559.09
EDA	EDUCATION LOC AGY REC	48	$735,196.91
EDC	EDUCATION STUDENT FEES	11	$11,312.50
EDE	EDU-KING-CHAVEZ-PARKS FEL PROG	99	$2,064,500.60
EDF	MI-LOANS MHESLA	1,829	$13,059,461.75
EDZ	EDUCATION DEF ST LOAN	4,807	$11,825,301.51
EQA	TOBACCO EQUITY ASSESSMENTS	9	$993,578.15
EST	ESTATE TAX	19	$244,898.36
EXA	EXPORTER AVIATION	10	$4,000.00
EXD	EXPORTER DIESEL	10	$4,000.00
EXG	EXPORTER GASOLINE	11	$5,000.00
FSA	FERRIS ST U LN STNT AC	3,743	$6,872,273.98
GAS	GASOLINE	35	$528,848.91
GFT	GASOLINE FLOOR TAX	1	$1,219.21
GRP	GARNISHMENT RECOVERY PROGRAM	661	$237,651.64
GR1	DG 06-IIT JOINT REFND IN ERROR	127	$47,931.00
GR2	UP06-IIT SINGLE REFND IN ERROR	387	$169,202.61
GR3	UP06-IIT JOINT REFND IN ERROR	165	$77,962.84
GSU	SUPPLIER-GASOLINE	6	$729,148.74
GVA	GRND VALLEY U LN&ST AC	990	$1,501,573.76
GWS	WHOLESALE/EXPORT GASOLINE	5	$12,981.39
HPT	PRINCIPAL RESIDENCE EXEMPTION	1,942	$1,562,990.68
IFR	IFTA FUEL TAX	4,501	$16,207,746.91
IIT	INCOME TAX	318,492	$405,737,449.42
IMA	IMPORTER AVIATION	11	$469,726.45

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
IMD	IMPORTER DIESEL	15	$471,698.08
IMG	IMPORTER GASOLINE	17	$484,148.53
INH	INHERITANCE TAX	1	$21,771.38
INT	INTANGIBLES TAX	287	$452,242.05
LBB	LABOR WAGE BENEFIT JDG	211	$378,822.15
LBE	LABOR ELEV. LICNS	110	$16,734.00
LBG	LABOR WAGE HR PEN	31	$20,041.76
LBK	LABOR BOILER FEES	17	$3,099.04
LBN	LABOR MIOSHA	946	$2,503,834.23
LBP	LABOR PLAN REVIEW	39	$23,103.95
LBQ	DELINQUENT ACCT REFL	1	$58,235.93
LBR	PREFAB FACTORY-APPS & INSPECTN	1	$165.00
LBS	TRAVEL ADVANCE	1	$890.00
LFH	LIQUID FUEL HAULER	5	$1,751.32
LPG	LPG	3	$2,355.08
LRB	LEG INS BUR TRAV	3	$1,644.80
LRE	COM HLTH BHS CIVIL FINE/PEN	69	$599,183.16
LRF	LEG BCS CIVIL FINE/PEN	2,821	$12,390,546.71
LRG	LEG INS COM PEN	78	$167,270.77
LRH	LEG REV SLS LIC	3	$10,809.86
LRI	LEG MALPRACTICE	5	$9,668.30
LRK	LEG I/B FOI	5	$1,770.89
LRL	LEG CONSTRUCTION LIEN	262	$3,312,425.26
LSA	LK SUPRIOR U LN&STU AC	515	$571,768.57
LTA	LOTTERY DLQ AGENTS	129	$761,664.94
LTD	OFF STATE EMP. LTD DEBTS	292	$2,446,315.76
MAA	MILITRY AFFRS MISC A/R	1	$3,000.11
MBA	MGT&BUDGET A/R-VARIOUS	26	$72,140.50
MBB	MI PUB EMP RET SYSTEM	253	$660,498.13
MCR	MOTOR CARRIER TAX	2,711	$9,064,570.08
MHE	MENTAL HLTH REF PRI YR	3	$210,724.12
MHG	MENTAL HLTH COST/CARE	7,502	$59,863,753.31
MHM	FAMILY SUPPORT/SUBSIDY PROGRAM	63	$66,375.01

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
MHN	MENTAL HEALTH AUDIT FINDINGS	5	$100,419.78
MHP	MH FACILITY CONTRACT COST STLM	6	$349,328.07
MLC	MOTOR CARR LIC FEE	2	$2,277.75
MRN	MARINE DIESEL DEALER	20	$21,383.49
MTA	MICH TECH UN LN&STU AC	193	$167,665.17
MVA	MI VT TRST FND EMRG LN	9	$4,189.88
NMA	NORTHERN MI LN&STNT AC	2	$1,233.05
NMR	CIG/OTP NON PART.MFR NON FILER	3	$219,538.59
NRC	NATURAL RES GOODS DEL	2	$19,162.24
NRH	NATURAL RES TIMBR HARV	4	$8,258.00
NRJ	DEQ-UNDRGRND STORAGE TANK FEES	1	$28,433.71
NRK	NATURAL RES MISC REV	1	$12,572.65
NRP	NATURAL RES GAME/FISH	103	$441,227.21
NRR	NATURAL RES LIQ DAMAGE	1	$859.65
NR2	NATURAL RES DNR MAG	1	$10,012.10
NR4	DEQ-AIR QUALITY DIVISION FEES	30	$63,088.79
NR5	DEQ COMMUNITY PUBLIC WATER	26	$6,399.22
NR6	DEQ NON-COMMUNITY PUBLIC WATER	112	$35,932.85
NR7	DEQ-JUD-ENVIR RESPONSE DEQ	37	$6,473,097.04
NR8	DEQ WATER TESTING FEES	22	$11,017.00
OSA	OSE ST EMP LTD DEBTS	101	$917,680.92
OTP	OTHER TOBACCO TAX	212	$659,673.95
OUA	OAKLAND UNIV LN&STUD ACCT #1	480	$416,836.94
OUB	OAKLAND UNIV LN&STUD ACCT #2	674	$1,527,978.73
PHB	PUBLIC HLTH PR YR EXP	12	$114,616.84
PHE	COMM HEALTH CIVIL PEN	2	$800.00
PHF	PUBLIC HEALTH MIOSHA	83	$441,307.10
PHG	ASBESTOS CITATIONS	10	$61,304.50
PHH	COMM HLTH QA DELINQUENT FEES	86	$5,649,258.80
PUC	CAR LOANING TAX	21	$63,903.04
PUT	TELEPHONE & TELEGRAPH	1	$232.42
REG	ENVIRON PROTECTION REG FEE	31	$8,267.70
RFV	RETAIL DEALER/DIESEL FUEL VNDR	123	$5,481,244.13

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
RTY	RETALIATORY TAX	28	$873,259.54
SAL	SALES TAX	192,809	$326,449,675.10
SBT	SINGLE BUS TAX	12,052	$84,306,807.01
SRT	REAL ESTATE TRANSFER TAX	22	$1,515,994.47
SSA	DHS SEC DEP	67	$42,412.48
SSC	DHS EMERG. NEEDS PROGRAM	3	$4,619.00
SSE	DHS PHYSCN SER	121	$3,991,228.82
SSF	DHS AD FSTER CA	19	$23,702.31
SSG	DHS ADULT HOME	167	$138,075.66
SSK	DHS MISC REV	5	$12,395.45
SSL	DHS MAINT-OF-EFFORT-OFF FUNDS	1	$120.75
SSS	DHS A.D.C.	361	$117,735.18
SST	DHS MEDICAID WTH-PRACTITIONERS	2	$190,012.43
SSU	DHS GEN ASSISSTANCE	59	$539.00
SSV	DHS FOODSTAMP RECIPIENTS	440	$71,400.82
SSW	DHS JUDGMENTS	4	$516,991.59
SSX	DHS MISDU NSF CHECKS	1,259	$920,994.38
STA	MDOS COMM LU	19	$48,439.60
STB	MDOS UCC FEES	24	$8,200.00
STC	MDOS CFF	7	$5,495.00
STD	MDOS ADDED FEES	141	$313,579.71
STF	MDOS WGHT. TAX	602	$759,825.27
STG	MDOS IRP NRES WT	3	$2,396.89
STJ	MDOS RETD CK	3,108	$1,466,897.02
STK	MDOS ASSIGNED CLAIMS	2,229	$124,920,772.59
STL	MDOS MVACF	10	$46,376.97
STM	STATE CAMPAIGN FILING FEES	37	$17,868.00
STN	LATE FEE/LOBBY REGISTRTION ACT	578	$500,313.83
STO	STATE RESTITUTION/JUDGEMENTS	1	$582.68
STP	MDOS DRIVER RESPONSIBILITY FEE	1,119,640	$405,659,123.37
SVA	SAGINW VLY U LN&STU AC	500	$420,847.27
TMO	TERMINAL OPERATOR GASOLINE	24	$575,016.38
TOC	TRANSPORTER AVIATION	26	$10,400.00

Totals as of 01-07-08

Tax Type	Tax Type Description	Total Assessments	Total Assessment Balance
TOD	TRANSPORTER DIESEL	26	$10,400.00
TRC	TRANSPORTATION NSF	1	$350.00
TRD	TRANSPORTATN TERM EMP	8	$3,467.85
TRE	TRANSPORTAT RD&BRG ONS	2	$78,665.97
TRF	TRANSPORTATN UTLTY PRM	1	$302.44
TRG	TRANSPORT DAMAGE CLAIM	21	$116,217.77
TRJ	TRANSPORTATN P&P TRAVL	31	$235,467.99
TRK	TRANSPORT PLANS & PROP	1	$183.04
TRL	TRANSPORT COMM TRNKLN	6	$11,384.11
TRM	TRANSPORT PROP RENTAL	3	$5,855.20
TRQ	TRANSPORTATN OVERPYMNT	4	$114,387.25
TRU	PRIOR YEAR REVENUE	1	$10,210.15
TSP	TRANSPORTER GASOLINE	27	$11,400.00
UBD	UNCLAIMED BEVERAGE DEPOSITS	3	$593.77
USE	USE TAX	27,724	$36,494,654.06
WAR	LEVY/WARRANT COST	66,698	$3,331,745.53
WGI	GAMING BD INVESTIGATION COSTS	3	$5,921.03
WTH	WITHHOLDING TAX	263,923	$292,780,822.43
005	MICHIGAN DISTRICT COURT	3,258	$465,209.36
050	MICHIGAN DISTRICT COURT	7,768	$1,128,025.69
43A	MICHIGAN DISTRICT COURT	3,570	$722,966.12
43B	MICHIGAN DISTRICT COURT	3,218	$689,020.79
54A	MICHIGAN DISTRICT COURT	12,406	$1,121,495.21
	ASSESSMENT TOTALS	**2,146,831**	**$1,939,182,500.72**

TOTAL ACCOUNTS   641,887

Totals as of 01-07-08

E-COMMERCE IN THE STATE OF MICHIGAN - CEPAS -

· MICHIGAN · CEPAS · GREAT LAKES ·

michigan E-Pay michigan.gov

EFT Payments

Exhibit I – Page 1 of 2

EXHIBIT I, CEPAS BROCHURE

What are the CEPAS interface options?

An interface to CEPAS is where a transaction begins. Users are prompted for credit card, banking, or pre-established account information, and together with agency account information a payment is initiated through the E-Pay network. The CEPAS system supports various methods for processing transactions.

1. **Web Services** – The CEPAS E-Pay engine enables a business application to access the electronic payment services using standards for sending messages using the Internet.

2. **Secure HTTP (Hypertext Transfer Protocol)** – The CEPAS E-Pay engine also enables a business owner access through a Secure HTTP program interface. This application interface allows collected payment data to be sent either through a query string or as "form post" data.

3. **Batch Interface** – In this case, a business application can initiate and access payment transactions in an off-line mode. The application accumulates a number of payment transaction requests (batch) and then uploads them to the CEPAS E-Pay engine for processing.

4. **Make-A-Payment** – The CEPAS system also allows access to the E-Pay engine without an application. This functionality allows designated personnel to make payments via a secure web site.

What about Security?

The CEPAS solution uses a 128-bit encryption process, and will allow financially sensitive data to be stored in an encrypted format. This ensures that only authorized individuals are able to view stored personal information in the CEPAS database and not in the legacy system.

A Security Manager will have the capability to grant various levels of access to users based upon need and overall security of sensitive data. This is known as 'role-based' security.

To provide additional security, only the last four digits of credit card or bank account information available for reporting.

Applications will be subject to compliance audits.

How does an agency get started?

The development of an application for CEPAS is conducted in five easy steps:

Step 1: Account Registration. Contact Treasury to set up an Enterprise E-Payment Engine account(s).

Step 2: Application Program Interface (API) Design and Development. Construct an interface to the Enterprise E-Payment Engine using the API specifications. The Enterprise E-Payment Engine API supports both Web Form Post integration as well as Web Service integration.

Step 3: Test Mode. Test the interface between your business application and the Enterprise Payment Engine.

Step 4: Certification Mode and Training. Certify your business application before activating your Enterprise E-Payment Engine account for production use. Certification includes verification and validation of test results. During this step, your staff will also learn about the E-Payment Engine, including the Administration, and Search and Report modules.

Step 5: Production Mode. Once the application is certified, the account is placed in Production Mode for payment processing.

Who to contact?

To initiate credit card: Treasury 517-636-5372
To initiate E-Check: Treasury 517-636-5369
To develop an application: DIT 517-636-5065
About security: DIT 517-241-4090
About contracts: DIT 517-373-6678

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What is CEPAS?

CEPAS, the Centralized Electronic Payment and Authorization System, is the State's electronic commerce centralization initiative to provide a single payment authorization system that integrates electronic receipt of credit card and Electronic Check (E-Check, otherwise known as ACH) transactions. Instead of multiple agencies developing this component in isolation, CEPAS will be the standard for all agencies.

Why is it important?

The State is seeking to expand citizen access to the services we provide and to make it easier to do business. From paying taxes to registering a vehicle and from obtaining a permit to subscribing to a magazine, electronic commerce is the future for payment processing.

The CEPAS solution allows multiple channel access and credit card and E-Check processing. Establishing a centralized approach provides an enterprise solution, serves the administrative needs for selection of the 'right' payment instrument, improves customer convenience, reduces processing costs, and provides for improved security against identity theft and fraud.

What are the system advantages?

- Secure processing environment;
- The CEPAS transaction fee is the same for credit card or E-Check;
- The CEPAS transaction fees are based upon the total state volumes, which minimizes cost;
- E-Check is a cost effective alternative payment method;
- Posting File for each days' transactions;
- Search functionality;
- The cost of doing business fees (i.e., Credit card fees, Bank fees) remain the same;
- The system enables full service support; and
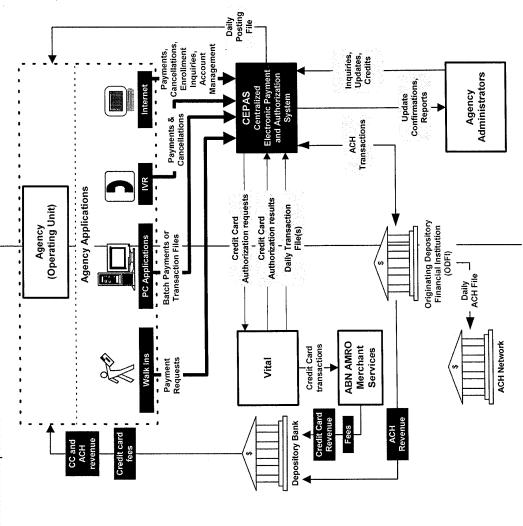- Financial, technical, and reporting processes are standardized.

May 2005 – v16

How does the system work?

CEPAS' E-Pay system fully facilitates electronic payments made through the Web, the phone, or from the desktop. Through CEPAS, applications have the ability to transact payments via credit card and/or E-Check, real time. E-Pay has the ability to register and warehouse payments for a predetermined period of time and then issue a recurring payment, thus allowing for greater transaction flexibility.

The E-Pay engine also provides a wide range of administrative functions necessary to support electronic payments. This includes warehousing payments, transaction history, management reporting, audit trails, and reconciliation processes.

Exhibit I – Page 2 of 2

EXHIBIT J

Michigan Department of Treasury
4621 (3-08)

What is an Incident? What is a Security Breach?

What is an Incident?

An incident is any event threatening some aspects of physical or financial security, when financial resources or items valued at $100 or more are missing or misused, any event violating confidentiality or privacy of information, where data is manipulated or missing, or any event involving unauthorized or unlawful activity.

Examples of Incidents:

● Missing computer equipment containing non-personal information

● Missing briefcase that contains non-personal information.

Examples of Material Incidents:

● Missing laptop computer or other mobile device or paper records that do not contain Treasury personal information but do contain confidential or sensitive information

● Missing warrant stock.

What makes an incident a Security Breach?

An incident becomes a security breach when an unauthorized person gains access to or acquires:

1. Unencrypted or unredacted (data not altered or truncated) personal information, or

2. The encryption key to an area storing personal information.

Beware: An incident can become a potential security breach during the investigation process.

Examples of a Potential/Actual Security Breach:

● Missing laptop computer or other mobile device that contains Treasury personal information

● Missing paper records that contain personal information

● Accessing personal information when there is no business need for it

● Using another individual's User ID and Password to access personal information

● Stealing Treasury records that include personal information

● Hacking into records containing Treasury personal information

● Obtaining Treasury personal information from employees without proper authorization to access the information

● Unauthorized and unescorted persons entering   s e c u r e areas that house personal information.

What is Personal Information?

The Identify Theft Protection Act, Public Act 452 of 2004, as amended, defines personal information as information containing the first name or initial of the first name and the last name along with one of the following:

1. Social Security number

2. Driver's License number or State Personal Identification card number

3. Account number; Credit or Debit Card number **in**

combination with any required security code, access code or password that would permit access to a person's financial account.

Personal information may be in written or printed form or may reside electronically on devices such as mainframes, servers, personal computers (desktops and laptops), CDs, DVDs, tapes, flash drives, memory sticks, USB keys, microfiche, PDAs, Blackberrys, cell phones, or may exist on other state-of-the-art devices that have been or may be developed.

What should I do if my laptop is missing or if an incident is suspected?

Employee must:

1. File a report with local police immediately if asset valued at $100 or more is missing.

2. Notify immediate supervisor no later than beginning of the next business day.

3. Complete Parts 1 and 2 of Form 4000, *Incident Report* (available on Treasury's Intranet).

4. Forward the Incident Report (with attached police report if applicable) to immediate supervisor and a copy   to   the Department of Treasury, Security Division.

Management Staff must:

1. Report the incident immediately through the chain of command to the Treasury Division Administrator and the Security Division. If personal information is involved, follow the guidelines for Security Breach.

Exception: If another state agency/governmental e n t i t y , report incident to Treasury Disclosure Officer, Technical Services Division and the Security Division. If contractor or vendor, report incident to Contract Compliance Inspector and the Security Division.

2. The Division Administrator must notify the Bureau Director if it is a material incident or involves non-Treasury information.

3. The Bureau Director must notify the other entity immediately.

4. The Division Administrator must inform the Department of Information Technology (DIT) Agency Services (Treasury) Director right away if incident involves information technology resources.

5. Notify other Treasury divisions/offices that may be affected or should be involved with investigation.

6. Investigate and resolve the incident.

7. Finalize Form 4000* and submit it to the Department of Treasury, Security Division.

*Another entity may substitute its internal form for form 4000 if all pertinent information is included.

What should I do if I witness, discover, or am informed of a potential security breach?

Employee must:

1. Report the security breach immediately (no later than beginning of the next business day) to immediate supervisor.

EXHIBIT J

2. Complete Parts 1 and 2 of Form 4000.

3. Forward Form 4000(with attached police report if applicable) to immediate supervisor and a copy to the Department of Treasury, Security Division.

Management Staff must:

1. If the breach is ongoing, **CONTAIN IT.**

2. Report the potential breach immediately through the chain of command to the Bureau Director or Deputy Treasurer, whichever is applicable.

3. The Bureau Director or the Deputy Treasurer, whichever is applicable, must notify the Chief Deputy Treasurer immediately if a breach involving a database of personal information.

4. The Bureau Director must notify the other entity if the potential breach involves non-Treasury information.

5. The Division Administrator must inform the DIT Agency Services (Treasury) Director right away if incident involves information technology resources and personal information.

6. Convene appropriate personnel so the scope of the breach can be determined and a plan for appropriate action can be agreed upon.
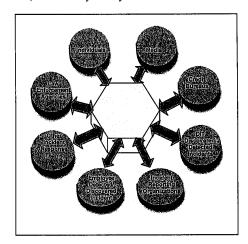
Note: If a database of personal information is involved, the Chief Deputy Treasurer must approve the Plan of Action.

7. If appropriate, issue breach notifications by telephone, in writing, on the Web or by e-mail.

8. Notify the three major credit bureaus of the breach if more than 1,000 residents of the State of Michigan will receive or have received breach notifications.

9. Finalize Form 4000* and submit it to the Department of Treasury, Security Division.

*Another entity may substitute its internal form for form 4000 if all pertinent information is included.

Treasury must protect personal information against risks such as unauthorized access, modification or loss with reasonable security safeguards. Some safeguards are:

● Do not store confidential, personal or sensitive Treasury information on mobile devices or portable media (including laptops, notebooks, memory sticks, CDs, DVDs, floppies) unencrypted; otherwise ENCRYPT files or the full disk. (Refer to DIT Standard 1340, Storing and Managing Personal Identifying/Sensitive Information on Mobile Devices and Portable Media; also refer to Treasury Policy ET-03169 Data Security).

● Avoid sending or receiving unencrypted confidential, personal or sensitive information via e-mail.

● Avoid sending confidential, personal or sensitive information via fax.

● Secure confidential, personal or sensitive papers on the fax, printer or copy machines.

● Keep conversations at a volume level and/or in a location that will protect information.

● Back up data on a regular basis; make sure data files from an approved portable device are stored on the network server.

● Never store more data than needed.

● Shred documents with confidential, personal or sensitive information (see Treasury Policy ET-03115 Confidential Information, Handle and Discard).

● Have computers and hard drives properly wiped or overwritten when discarding (see DIT Procedure 1350.90, Secure Disposal of Installed and Removable Digital Media and Treasury Policy ET-03169).

● Use a log-in password that is not easily guessed. Make it at least eight characters long, composed of upper- and lower-case letters, numbers and symbols such as "#" (see Treasury Policy ET-03175 on Passwords).

● Never set any log-in dialog box to remember your password (see Treasury Policy ET-03175 on Passwords).

● Use a password-protected screen saver that comes on after a few minutes of inactivity. Initiate screen lock system (if a Treasury employee, press the key with Microsoft Windows logo and "L" on the keyboard) when you leave your office, even for a short period.

● Limit access to confidential, personal or sensitive information to those who need to use it to perform their job duties (see Treasury Policy ET-03164 Access Control).

For additional information, see the following guidelines in the Security Guide:

ET-03180, Incident Reporting

BT-03084, Security Breach Involving Personal Information

PT-03253, Incident Reporting and Handling

CT-03070, Incident/Security Breach Examples

DIT Operating Procedure, How to Handle a Breach of Personal Identifiable / Sensitive Information Incidents

Other References:

BT-03049, Employee Conduct, General Guidelines

ET-03140 Workplace Safety

PT-03246, Potential Dangerous Taxpayer/Debtor, Report

PT-03095, Theft or Irregularities in Public Funds/Property or Violations of Departmental Policies and Procedures, Report and Investigate

Contact Information:

If questions, please contact Division/Bureau Security Liaison or the Security Division at (517) 636-4081.

Exhibit K - MARCS Nightly Batch Processing

User Description	Process
Predictive Dialer Upload to MARCS	Dialer FTP Upload DialerBackfeed
Image processing	Imaging
CRM Processing	CrmToMarcsUpdate MarcsToCrmExtract
AutoPay History Update	AutoPayHistoryInsert
Online Letter Printing	Batch Print
STAR File Edits	Z record Edits ZEdits1 through 4 data files
STAR Interface Processing (DTR/Billing)	Z record processing Steps 5-32
Installment Agreement Monitoring	PayPlanSweeper PromisePay
MARCS Requested Actions	DenyMarcsActions
Electronic Funds Transfer	EFTNoticeOfChange EFT EFTFileCreate
Transfer/Delete Responsible User	DeleteTerminatedRespUser TransferRespUser
State Assignment	StateAssignQB StateAssign XstateAssign
Installment Agreement	IABKReview
Final Demand / Lien Request	FinalDemandQB AutoLienRequest
Correspondence Letters	CorrespondQB Autocorr
Work list	WorkListQB WorkList
Create S4 for STAR	CentralizedLevy
Electronic Lien Processing	SLienCreateFile
MARCS Interface to STAR (SRECORDS)	SplitActgSpool SrecExtract SrecUnload
Predictive Dialer Extract	DialerQB Dialer Dialer FTP Download
Process Message Reports	ProcessMessages
Daily Reports	Crystal Reports
Background Letter Printing	Batch Print
Network Backup	Backup Exec
Database Backup	Sybase database
MARCS Directories	UNIX Filesystem